

THE
GREEN RISING
W. B. BIZZELL

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THE GREEN RISING

*An Historical Survey of Agrarianism, With Special
Reference to the Organized Efforts of the
Farmers of the United States to Improve
Their Economic and Social Status*

BY

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"The well-being of a people is like a tree, agriculture is its root, manufacturing and commerce are its branches and its life; if the root is injured the leaves fall, the branches break away and the tree dies."

—A CHINESE PHILOSOPHER.

*"Our remedies oft in ourselves do lie,
Which we ascribe to heaven."*


—SHAKESPEARE.

"My own conviction has long been that the land question far transcends any restricted field of economics and that it is fundamental to national survival and national welfare. It is truly a problem calling for statesmanship of the broadest type."

—PROFESSOR FRANK A. FETTER.

"Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization."

—PREAMBLE, CODE OF ETHICS, NATIONAL ASSOCIATION
OF REAL ESTATE BOARDS.



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PREFACE

In the spring of 1924, the writer visited Europe for the purpose of studying rural life conditions. It became apparent that profound changes were taking place throughout the rural sections of all European countries. The traditions and customs of centuries were being greatly affected. The equilibrium between population elements had been appreciably disturbed by the war. The farm labor problem presented new aspects. The peasant farmer was experiencing financial distress as a result of falling prices and financial depression. He had become thoroughly dissatisfied and discouraged, and was uniting his efforts with industrial labor to compel legislative bodies to provide relief from existing conditions.

It became increasingly apparent that the farm populations, from the Balkan States to the North Sea and westward to the Atlantic Ocean, were determined to improve their economic and social conditions. They were thinking much of economic inequalities. Adversity had aroused their consciousness of social solidarity and had caused them to realize their political strength. In most countries the farmers had become socialistic and had turned

to the most radical elements of industrial labor for sympathy and support. The labor governments in most of the countries of Europe at the time were strongly socialistic and had been swept into power through the combined influences of the rural and industrial elements in the population.

It was quite obvious that the unrest in the rural sections of Europe was the result of about the same conditions that had caused widespread dissatisfaction in this country. It was apparent that almost a world-wide agrarian revolution was in progress. The fact that it was largely bloodless in no wise made it less a reality. Farmers everywhere had not only become thoroughly aroused to their economic difficulties, but had become definitely committed to a program of relief. Naturally the elements in this program varied in detail, but the motives that actuated them were the same.

The writer became very much impressed with the profound significance of this agrarian movement. It was easy to realize that our economic and social institutions, as well as our governmental policies, were to be profoundly influenced by this world-wide movement of agricultural producers.

It seemed that a survey of this situation might be desirable. Much has been written in recent years on various aspects of this subject. A review in detail of any particular agrarian movement has not been attempted in this volume. This service has been satisfactorily performed by competent authori-

ties who are thoroughly informed about the particular movement they have discussed. The reader will find much helpful information in such volumes as Wiest's *Agricultural Organization in the United States*; Buck's *The Agrarian Crusade*; Howard's *The Farm Bureau Movement*; Bruce's *The Non-partisan League*; Haynes' *Third Party Movements*; Capper's *The Agricultural Bloc*; Warren and Pearson's *The Agricultural Situation*; and numerous other publications.

It is hoped that at least this book may possess the merit of timeliness. There is nothing to indicate that the issue of agrarianism is passing. Recently the *Rural Report of the Liberal Land Committee in Great Britain* has been published. This report recommends radical changes in the land tenure policy of England. The fact that it has the support of at least one of the predominant parties in Great Britain gives weight to its conclusions. The Conservative Party will not likely be able to ignore the issue raised by leaders of the Liberal Party in this report. In our own country agrarian influence compelled the Sixty-ninth Congress to give serious consideration to farm relief proposals. The failure of Congress to pass the kind of legislation demanded by great farm organizations will certainly make this subject a major issue in the next national campaign.

There is a prevailing opinion that rural discontent only occurs during brief periods of financial depression. The history of agrarianism supplies some evi-

dence to support this opinion. But it should be observed that there has been increasing cohesion between farmers and a persistent tendency on their part to seek some solution to their problems. It is quite obvious that conscious solidarity on the part of farmers has greatly increased since the World War.

The writer prepared most of the manuscript for this volume while serving as president of the Agricultural and Mechanical College of Texas. Rural economists and rural sociologists connected with that institution have made many helpful suggestions and supplied much information that has been incorporated in this book. Farm organization officials in various parts of the country have cheerfully answered many inquiries and supplied important data with reference to their own organizations. Acknowledgment of this assistance has been made by correspondence or otherwise, and this general acknowledgment of appreciation is referred to here in conformity with custom. The writer assumes entire responsibility for any errors of a statistical nature, or of facts, that may appear, and all the opinions expressed and conclusions reached are his own.

W. B. B.

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CHAPTER I

INTRODUCTION

It is not an easy matter to appraise a great social movement during its progress. Time is usually required to give perspective to the various aspects of a situation under review. This is certainly true of the world-wide agrarian movement now in progress throughout most of the civilized countries of the world, and more particularly in the countries of western Europe and the United States.

It is difficult for many intelligent citizens to appreciate what is actually happening or has happened in our midst in the last few years. There are many people who do not realize that one of the most profound agrarian movements of history has occurred. A few years ago, a meeting of farm representatives was held in Chicago. A new farm organization was brought into existence at this meeting. Before the end of the first year this organization claimed a membership of a million farmers. Its influence was soon clearly felt in almost every state in the Union. It contributed to the organization of a farm bloc in Congress; it caused the

President of the United States to call a national agricultural conference; it proposed a program of coöperative marketing as a solution of the farmer's economic problems, and in four years twelve thousand coöperative associations were organized with a membership of two million farmers. The business activities of this organization in 1923 were reported to have exceeded \$2,200,000,000. This merely illustrates one of the significant aspects of the movement, that is not only nation-wide, but world-wide. Nothing like this has ever happened before in the world's history. No other group of any nation's population has ever influenced so profoundly the economic and political life of the people in so many ways, in the same period of time, as this farm movement.

It is not an exaggeration to designate such a movement as this as an *agrarian revolution*. The Oxford dictionary defines agrarianism as "a political agitation or civil dissension arising from dissatisfaction with the existing tenure of land." Expressed in other words, *agrarianism signifies an organized effort on the part of the farm population, or a socially conscious group of farmers, to secure a redistribution of land or the establishment by law of conditions more favorable to the use and occupation of land*. An agrarian revolution is concerted action on the part of farmers to bring about economic or social changes that promise to improve farm life conditions.

The agrarian revolution in eastern and southeastern Europe has resulted in a redistribution of land. Large estates have been broken up and redistributed to peasant owners, sometimes on a basis of individual enterprise or on some form of socialistic or communistic plan. Fortunately agrarian activities in this country have never been promoted with this end in view. All farm movements in this country have had for their motive "the establishment by law of conditions more favorable to the use and occupation of land." This distinction between agrarianism in this country and in certain parts of Europe is important. It should be observed that in the countries of western Europe the motives of agrarian movements have been somewhat similar to those of the more recent farm movements in the United States.

The outstanding social movement of the post-war period has been the rise of agrarianism in almost every civilized country of the world. G. K. Chesterton, the well known English writer, has called this the "Green Rising." "The Green Rising is a peasant movement," says he, "where the Red is a proletarian movement." The agrarian revolution started in Russia with the overthrow of the Romanoff dynasty, and since the close of the Great War it has swept over all the countries of Europe, and in some instances has influenced conditions in many parts of the United States. The so-called "Green

Rising" has been in progress in this country for several years and today important economic and social changes are being brought about through its influence.

"In a sort of awful silence," says Chesterton, "the peasantries have fought one vast and voiceless pitched battle with Bolshevism and its twin brother, Big Business, and the peasantries have won. . . . All sorts of recent events have shown the way the tide is driving; the paying-off of mortgages in France and Belgium; the predominance of the agricultural plains in America; the rise of the popular party in Italy; and the sudden concessions in Ireland." While it is incorrect to refer to American farmers as peasants, Chesterton's description of what is happening is not an overstatement of the facts.

Agrarianism is not a new thing in the world. Most countries of Europe have experienced from time to time up-risings of the peasant farmers when social and economic conditions became intolerable. Most of the agrarian revolutions of former centuries grew out of land tenure. The evolution and modification of land tenure policies produced four numerous and powerful classes—landlords, farm managers, peasant proprietors, and agricultural laborers. Most of the agrarian revolutions of the Middle Ages and early modern period resulted from conflicts between the economic and social interests of these classes. It is impossible to understand the economic aspects of the agrarian movement in Europe today

without recalling some of the historical facts about the feudal system, and the social organization fostered by it during the Middle Ages, and the early modern period.

Under the feudal system each state was in the tenure of a landlord who acknowledged his obedience to the sovereign of the country. The landlord cultivated part of his estate himself and rented the balance out to tenants who paid their rents in services in kind or in money. Each estate consisted of arable land, meadow, woodland, and waste. The peasant under the feudal system labored under many handicaps. He was not permitted to migrate freely. The services and custom dues expected of him were often indeterminate. The landlord had judicial powers over his tenants and often exercised these powers in a very arbitrary way. It was possible for a landlord to reduce a tenant's tillable land to such an extent as to provide only a precarious existence.

The intolerable conditions growing out of this system have resulted in peasant uprisings in many countries of Europe previous to the seventeenth century. During the Hundred Years' War there occurred the great peasant rebellion in France called the *Jacquerie*. Important uprisings of peasants occurred in Hungary, Germany, and Poland during the sixteenth century, but in central European countries the peasant farmers lost ground throughout the seventeenth and eighteenth centuries, and their freedom of action and standards of living were lower

than they had been able to maintain in the late Middle Ages.

Agrarian revolutions occurred in France and England from time to time during the seventeenth and eighteenth centuries. The French peasants were relieved of servile tenure in 1789. By the middle of the nineteenth century servile tenure had also been abolished in the smaller countries of western Europe, including Portugal, Switzerland, Belgium, Holland, and the Scandinavian countries. The small farmers of England opposed strenuously the English policy of enclosures, and, while they were unable to prevent this movement, they succeeded in gaining important concessions in the way of a better economic status and more liberal contractual rights with their landlords.

The seeds of agrarianism were sown early in American soil. Agriculture in England had been built securely upon its feudal traditions. At the time of the settlement of America farming was a well established capitalistic industry. In contrast with the English situation, in all other countries of western Europe agricultural enterprise was organized on the basis of small proprietorships. It is probable that American agricultural history would have been quite different had France, Spain, or Italy dominated in the settlement of the new country. But the fact that England soon gained supremacy in the colonial policies of America made it inevitable that an effort would be made to transplant

feudalism to American soil and build the agriculture of the country upon a capitalistic basis. This is a fundamentally important fact in the survey of agrarian history in the United States.

The cultivation of the soil as a means of producing food was an immediate necessity for the colonists who came to America. Variety of soil and climate soon revealed to these colonists the agricultural possibilities of the country. The early settlers profited by the observations they made of Indian agriculture. They cultivated the native crops, utilizing some of the crude methods of the natives. Naturally they also applied some of the methods of cultivation they had followed in the old countries. While the difficulties and hardships were very great, gradually the supply of food products increased. Commerce in agricultural products gradually developed and the surplus was transported and sold abroad.

Commerce in agricultural products naturally preceded commerce in manufactured products, but industrial enterprise developed slowly through the years of colonial expansion. Differentiation in vocational life and commercial enterprise brought about conflicting purposes. The interests of the pioneer farmer increasingly came in conflict with those of the royal governors, the merchants, and many of the professional classes. It was quite natural for colonial settlers from the old countries to build a new civilization on the old and decaying

foundations of feudalism. But the rising tide of capitalism and the vast areas of fertile land made this an impossible task. It is not surprising, however, that the early extension of agrarianism in this country should grow out of the conflict between a feudal and a democratic organization of society.

The conflict between economic groups became so pronounced by the time of the Revolution that the demand for independence was far from unanimous. Simons, in commenting on the state of public opinion at the beginning of the Revolutionary War, says that it was "not so much a split between the Colonies and the English government as it was between different divisions of the English people on both sides of the Atlantic" and "in reality but a battle in a great world-wide struggle between contending social classes."¹

The study of patriotic utterances, such as those of Patrick Henry,² shows clearly that the issue of independence from England was essentially a conflict between the agrarian interests of the interior regions and the industrial and professional interests of the coast towns. "The warm support of the Revolution by a great majority of the frontiersmen," says H. U. Faulkner, "was to some extent a challenge by an agrarian and frontier people to both a waning feudalism and a rising capitalism, and the

¹ *Social Forces in American History*, p. 7.

² See W. W. Henry's *Patrick Henry* (1891).

influence of the more radical western ideals was one of the most potent of the internal forces which brought the separation.”³

While the war for independence was led by Washington, an aristocratic planter, financed by bankers like Morris, and supported by rich merchants like Hancock, the fighting force of the Revolution came from the middle class of farm producers and industrial workers. It may be said, therefore, that the Revolution was the culmination of conflicting forces in which the farm population united their efforts with others who shared their views against their neighbors who found it more profitable or desirable to maintain allegiance to the mother country.

From the establishment of the national government in 1789, to the beginning of the Civil War in 1861, agriculture experienced a steady growth and development. The nation was peculiarly free from agrarian agitation during this period. The vast undeveloped public domain offered unusual opportunity for agricultural expansion. While the nation was not uniformly prosperous throughout this long period, on the whole the farmers were reasonably successful. But public policies were being formulated and economic and social changes were taking place that were destined to affect agricultural endeavor very profoundly at a later time. These influences may be summarized as follows: (1) The vast

³ *American Economic History* (1924), Chap. 8, p. 161.

public domain of virgin, tillable land and the liberal land policies of the government that rapidly transformed the undeveloped areas from public to private ownership; (2) the rapid increase in population, resulting from the liberal immigration policy; (3) the increasing use of improved machinery and farm implements; (4) the importation of an increasing number of breeds of live stock; (5) the development and extension of transportation facilities; (6) the extension of markets for farm products, which was made possible by the growth of cities, and the expansion of industrial enterprise; and (7) the acquisition of scientific knowledge relating to agriculture.

Previous to the Civil War, most of the land between the Alleghenies and the Mississippi was settled, and the advance tide of immigration was extended over Texas and Missouri and was rapidly penetrating into the vast areas of the far West. The invention of the cotton gin and the larger demands for cotton had increased the production of this staple from 4,000 bales in 1790, to 7,300 bales in 1800, and to 3,841,416 bales in 1860. The production of tobacco, sugar, rice, and other crops had also made enormous gains.

This rapid increase in production was due to several causes. The invention, for instance, of farm machinery was an important factor. The first cast iron plow was patented by Charles Newbold in 1797. The McCormick reaper came into use between 1833 and 1844, displacing the grain cradle. From 1820

to 1860, improvements were made in farm machinery very rapidly.

No less important was the introduction of better grades of live stock. Washington was the founder of the mule raising business in this country. The fine Kentucky breed of mules came from stock sent from Europe as presents to Washington from LaFayette and the King of Spain. Good types of Merino sheep had been smuggled out of Spain before the Napoleonic Wars, and in time vast flocks were developed from this original stock. Durham cattle were imported from England to Kentucky in 1817. In the same year Henry Clay introduced the first Herefords into this country. The first thoroughbred stallion was brought from England to New Jersey in 1788. These are significant facts with reference to live stock farming in this country, and they indicate the possibilities that were ahead of agricultural enterprise in the vast undeveloped areas of the Middle West.

Increasing attention was being given to the scientific aspects of farming throughout this period. Scientific farming had its development in England in the eighteenth century, due to the work of Arthur Young, Jethro Tull, Viscount Townshend, Robert Bakewell, and others. American farmers showed little interest in improved methods of production during the Colonial period, but after the Revolution a knowledge of English methods was disseminated widely. By the beginning of the Civil War agri-

cultural education had had a beginning, and interest in the scientific aspects of agriculture had increased greatly.

Five important agencies developed for the dissemination of agricultural information, as follows: (1) The organization of agricultural societies; (2) interest in rural and community fairs; (3) the establishment of the agricultural press; (4) the opening of agricultural schools; (5) and the establishment of state and federal agencies for the promotion of agriculture. The first agricultural society was The Philadelphia Society, founded in 1785. Similar societies were founded previous to 1800 in South Carolina, Maine, New York, and Massachusetts. The first rural fair was held in Washington in 1804. The first live stock show was held in Pittsfield, Massachusetts, in 1810. Agricultural journalism had its beginning in 1819 when John S. Skinner founded *The American Farmer* in Baltimore. Later in the same year *The Plow Boy*, printed at Albany, New York, appeared. *The New England Farmer* and *The New York Farmer* appeared soon afterward.

The agricultural population had been gaining strength and means of self-expression for nearly a century when the Civil War began. The economic status of the farm population, and the isolation of the farmer produced a feeling of independence on the part of those engaged in agriculture. Improved means of transportation and intercommunication rapidly developed a sense of social solidarity. The farmer was, therefore, well prepared for offensive

action after the Civil War when financial distress followed the rapid decline in prices and the economic effect of deflation.

The period since the Civil War has been one of great agricultural expansion, but agriculture has not experienced uninterrupted prosperity. In fact, the farmer has repeatedly passed through periods of uncertainty, great anxiety, and financial distress. Bankruptcy has befallen many farmers and repeatedly threatened many others. This situation has produced great discontent. The numerous periods of financial depression have in every case aroused the farmers to action. They have resorted to various expedients at different times as new situations have confronted them.

In subsequent chapters of this book an effort will be made to sketch the methods the farmers have adopted in an effort to overcome their economic difficulties. As a background to the later farm movements, the reader's attention will be directed briefly to the history of agrarian agitations of the past. It will be observed that while the social situation has changed from age to age, the conditions that have created discontent, and the problems that have aroused farm groups to action, have all been of an economic nature. There is, therefore, a thread of continuity running throughout agrarian history. The student of agricultural economics and sociological problems may profitably spend some time in a review of early agrarian history as a background to the problems of agriculture at the present time.

CHAPTER II

AGRARIAN REVOLUTIONS OF THE PAST

Agrarianism is not a new phenomenon in the world. It may be said almost to be incident to private ownership of land. The history of land tenure is characterized by the evolution and differentiation of the numerous classes identified with agricultural production. Individual self-interests entered into competition for the private ownership of land at a very early date, and in one way or another, by force, strategy, or favorable conditions, great landlords emerged who cultivated their lands with slaves, rent-paying tenants, or hired laborers. The classes of the rural population have been largely interdependent. The fact that they have been responsible for the food supply has given them a place of influence and power in every society. But the power exercised and the influence exerted have not been equal between them by any means. Out of these inequalities has come a sense of social injustice that has from time to time resulted in revolts and widespread discontent. The history of almost every nation records, at some period, a revolutionary movement that traces its cause to social injustice and privation in the use of land.

The history of agrarian protest varies between wide limits. Sometimes it reveals itself in the embittered appeal of some social reformer, and then again it may manifest itself in a widespread social upheaval on the part of an entire discontented class. The recital of conscious wrongs by some moral or spiritual leader has had the effect of arousing the discontented class to action and causing a revolution. This has happened from time to time throughout the course of human association.

The prophets, Micah and Isaiah, are good examples of great social reformers who reflect the sentiments of discontent of the peasants of their respective ages. "Woe unto them," says Isaiah, "that join house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth."¹ This was undoubtedly a striking statement of the agrarian situation that was causing widespread discontent. That this situation was of long standing is indicated by a similar protest of Micah, who lived in a much earlier age. "Woe unto them . . . that covet fields, and take them by violence; and houses, and take them away; so they oppress a man and his house, even a man and his herds."²

These agrarian protests run through the Jewish prophetic literature and indicate that inequalities in land tenure developed very early in the evolution

¹ *Isaiah*, 5: 8.

² *Micah*, 2: 3.

of private property rights and created injustices that were clearly felt by the less fortunate classes.¹

Plato in his *Laws* referred to the tenure of land and prescribed very specifically the method of land distribution as a means of maintaining equality of the rights of ownership. Plato was so impressed with the danger of inequalities growing out of land tenure that he was constrained to advocate maintaining continuously a definite number of families to whom the total land area should be distributed.

Class conflicts arose very early in Rome over land policies and inequalities resulting from them. As Rome extended her power over surrounding tribes and nations, large land areas were appropriated by the state. In time these public lands became the private property of the patrician families. The vast estates thus acquired were cultivated by slave labor. The demands of the plebeians to share in the distribution of the *agri publici* brought on the first agrarian conflict. In the year 486 B.C. the consul, Spurius Cassius, proposed the first agrarian measure for the redistribution of public lands. His proposal was vigorously opposed and he fell a victim to the vengeance of the patrician landowners. In 367 B.C. the plebeian tribunes proposed a law limiting the size of private estates acquired from the public agricultural lands. For a time this law had a beneficial effect, but in later years its provisions were disregarded.

¹ See the writer's *Social Teachings of the Jewish Prophets*.

Rome experienced a policy of land enclosures similar to that adopted in England at a much later time. The cultivation of grain on the vast estates was abandoned in favor of the less toilsome task of breeding cattle. A few herdsmen replaced the more numerous grain farmers on the *latifundia*. This change in policy resulted in great distress and dissatisfaction. In 133 B.C. the agrarian law of 367 B.C. was revived. Through the efforts of Gracchus much of the public land was recovered and redistributed to the dispossessed owners or their descendants.

The conflict between patricians and plebeians throughout Roman history was largely the result of inequalities growing out of land distribution. Numerous agrarian laws were passed from time to time for the purpose of correcting the evils or abuses of land policies. The name "agrarian laws" in Rome came to be associated with the idea of interference with private property in land and with the application of these laws to communistic practices.

When we turn from ancient history to the history of modern nations, we find that land problems developed very early and have persisted almost continuously to the present time. The voice of the land reformer was raised in England during the Middle Ages against economic injustice and social inequalities.

John Ball and William Langland were reformers of the type of the early Jewish prophets. John Ball

was a priest who attacked agrarian problems following the great pestilences which spread over England during the fourteenth century. One is reminded of Isaiah's protest in the often quoted sentence of Ball: "They (the landlords) have pleasure and fine houses; we (the peasant farmers) have pain and labor, the wind and rain in the fields; and yet it is of us and our toil that these men hold their state."

William Langland's poetic writings reflect great sympathy with the peasant classes. Langland, unlike John Ball, proffers much advice to members of the various classes of society to whom he directs his poems. For example, he addresses "laborers, landless, that live by their hands" as follows:

"I warn you, ye workmen, to win while you may;
For hunger now hitherward hastens full fast."

He is equally appealing in his admonition to the landlords to be just to their tenants, in the following:

"O'ertax thou no tenant, save truth will assent!
And though thou amerce them, let mercy be taxer!"

The agrarian protest, however, has not always been restricted to a single individual or a few socially minded persons. Social injustice has at times been so greatly felt and so prolonged as to produce widespread uprisings that have resulted in important social reforms and brought about important economic and political changes.

Agrarian Revolutions in England

The Peasant Revolt in England in the latter part of the fourteenth century and the peasant uprisings of a later period resulting from enclosures are typical examples of these more significant agrarian revolutions. Most of the agrarian revolutions of the Middle Ages and early modern period resulted from conflicts between the economic and social interests of the rent-receiving and the rent-paying classes. It is well to recall that agriculture did not become a profit-making business until modern times. Previously it had been only a self-supporting industry. The feudal system was an agrarian organization and the social system fostered by it was essentially paternalistic.

It is not surprising that the early agrarian revolutions in England were inspired by a desire for more freedom of action. While the economic motive slowly emerged, it was a long time before it became the predominant one in English agricultural enterprise.

One of the earliest and most significant agrarian revolutions in England was that of 1381. It was the culmination of a series of disasters that swept over England almost continuously throughout the fourteenth century. Pestilences appeared in 1315, 1316, and again in 1340. Rogers, the great economic historian and economist, tells us that dearth was widespread from 1308 to 1322, with the exception

of the years from 1318 to 1320.⁴ But these disasters were relatively insignificant in comparison with the ravages of the Black Death which appeared in England in 1348. Before this scourge had spent its force in 1349, approximately half the population had been claimed by death. Another outbreak of plague occurred in 1361 and 1362, and many of the remainder of the population were taken as a result of its ravages. To add to the privation and suffering of the people, several disastrous cattle plagues occurred during this time which resulted in great losses in live stock.

It was inevitable that these adverse conditions would affect the economic status of the rural population and profoundly change the policy of manorial organization. "The predial services," says Garnier, "which had effected the cultivation of large areas of the manorial soil, ceased, and half the lease-holding husbandmen perished. The free laborers were either extorting excessive wages on the manor of their birth, or hiring themselves to the highest bidder elsewhere. Villeins in gross and villeins regardant were turning vagrants and going off on the tramp. For the first time in England's history the sturdy beggar appeared on the scenes. Many a landlord was at his wit's end to find means of refilling the offices vacated by death or desertion. Farmers were unable to till their own lands, much less perform

⁴ *Agriculture and Prices*, Vol. 1, p. 290.

their services on the demesnes. The common fields were overrun with the unherded live stock off the waste." ⁵

This situation resulted in a series of statutes of labor that undertook to regulate farm labor conditions. As Parliament could not meet in 1349, the first was in the form of a royal ordinance that ordered that "every man or woman, free or bond," who was not otherwise employed and had no income from land must serve when required at wages no higher than heretofore received. In 1351 Parliament passed the famous *Statute of Labourers*. Under the provisions of this statute laborers were ordered to appear, tools in hand, in the market towns where they would be available for work. Wages were fixed by the statute and laborers were required to take an oath to observe the ordinance. This remarkable statute was followed by other similar acts, all of which were rather ineffective in accomplishing the desired purpose, but the net result of all statutory requirements to enforce labor to work at fixed wages was increasing discontent and animosity toward landlords.

Green, in his *History of the English People*, says with reference to the effect of these statutes that "the landlords were claiming new services, or forcing men who looked on themselves as free to prove they were not villeins by law. The free laborer was

⁵ *Annals of the British Peasantry* (1895), Chapter V, p. 57.

struggling against the attempt to exact work from him at low wages. The wandering workman was being seized and branded as a vagrant."

The results were inevitable. Finally in 1381 the great revolt came. The immediate cause of the peasant rising was the imposition by Parliament of a poll tax, but this single act of injustice would not have produced the revolt. "The peasantry were not so much discontented," says Garnier, "with the hardships of our national fiscal system as with the slavery of our manorial rental system. The recent labour laws had tied a man down to starve on a particular spot at a day's wage fixed lower than the current price of his day's bread. It was this circumstance which, from the coast of Kent to that of Yorkshire, fomented the labour element into open rebellion; which caused the sack of Norwich by a host of peasants, under John the Litster; which drove to arms the rustics of counties as wide asunder as Devonshire and Lancashire; which sent a flood of insurgent yokels, under Tyler, up one bank of the Thames towards London, while a second flood, under Hales, went *pari passu* up the other bank; and which prompted the intrusion by another wave of serfs, under Grindecobbe, on the sanctified cloister of St. Albans. The fact that the head of the rebellion centered in Kent, where slavery was practically unknown, cannot weigh against the evidence afforded by the demands of the peasants during the first blush of a temporary success, and before men's

imaginations had become inflamed by bloodshed. These consisted of the abolition of market tolls, the commutation of all manorial services into a fixed maximum rent per acre, the cessation of all menial offices, and the seigniorial surrender of game rights. In their anxiety to annul their bargain with the landlords, they destroyed the manor rolls whenever they could get hold of them, and, on their march to Blackheath, killed all the land-stewards who fell in their way.”⁶

The revolt started in the eastern and midland counties and rapidly spread to all England south of the Thames. “But the growth of discontent,” says Green, “varied with every district.” Hume in his *History of England* says: “Before the government had the least warning of the danger, the disorder had grown beyond control or opposition; the populace had shaken off all regard to their former masters; and being headed by the most audacious and criminal of their associates, who assumed the feigned names of Wat Tyler, Jack Straw, Hob Carter, and Tom Miller, by which they were fond of denoting their mean origin, they committed everywhere the most outrageous violence on such of the gentry or nobility as had the misfortune to fall into their hands.”

The young King, Richard II, was compelled to retreat before his rebellious subjects. We are told

⁶ *Annals of the British Peasantry* (1895), Chapter V, pp. 59 and 60.

he appeared before them and asked: "What will ye?" With one voice they answered: "Freedom of person and lands."

The King gave his promises, which in effect would have abolished serfdom, substituted a fixed annual rental instead of services and indefinite obligations for the use of land. Relying on the promises of their King, the peasant forces disbanded and many of them returned to their homes, happy and satisfied with their prospects for freedom of action. However, a small disorderly element remained in London and continued to break into houses and to kill innocent people. Wat Tyler was killed while interviewing the King at Smithfield, where he had gone to submit new demands, and his lawless followers were dispersed by the King's soldiers.

While the young King had made solemn promises in response to the peasant demands, he was not able to fulfill them. The landed gentry would not agree to dispossess themselves of their proprietorships. The King's counsellors pointed out that the consent of Parliament was required to fulfill such a far-reaching request as had been made by the peasants. The landlords reminded the King that the villeins were their own private property and they would resent their confiscation to a bitter end.

Historians differ as to the actual results of the great revolt. Hasbach says: "So far as any answer can be given to the question whether the Peasants' Revolt did effect the personal emancipation of the

villeins, it seems that, within limits, it must be in the affirmative. Many *villeins* fled, could not be traced, and returned no more; and so acquired their freedom. Others bought their manumission from their lord by a sum of money. But three hundred years later *villeins* still existed in England, though their number gradually grew smaller and smaller, until villeinage itself died out with the death of the last *villeins*.”⁷

Montague Fordham, in commenting on the results, says: “The Peasant Revolt was a remarkable movement; never before or since has the English peasantry combined on so large a scale or been so well and successfully led. They were defeated by a political ruse—promises of freedom and reform, only made to be repudiated at the first convenient moment. The results were therefore slight in proportion to the character of the rising.”⁸

Seventy years later (1450) another peasant rising occurred. This is known in history as Cade’s Rebellion. The cause is usually attributed to the personal and misguided ambition of Jack Cade. “The fact that the ostensible cause of this second outbreak,” says Garnier, “was a self-aggrandizement of Cade must not induce us to conclude that it was less agrarian in its nature than that of Ball.”⁹ The Bill of Petitions that resulted in the rebellion was a peas-

⁷ *A History of the English Agricultural Labourer*, Chapter I, p. 28.

⁸ *A Short History of English Rural Life*, Chapter IV, p. 62.

⁹ *Annals of the British Peasantry*, Chap. V, p. 62.

ant indictment of agrarian practices. The repeal of the Statute of Labourers was demanded. "It is openly noysed," one section reads, "that Kent should be destroyed with royall power and made a wild forest, that divers poor people, their titles being perfect, had nevertheless been impeached and indicted, so that grants might be obtained of their lands, and themselves prevented from utilizing them"; and that false indictments had been brought against poor and simple folk "that used not hunting." It was complaints such as these that fanned the flames of insurrection and gave Jack Cade a following.

This insurrection did not last so long, nor was it so widely extended as the Great Revolt of 1381. But the discontent of the peasants continued and new causes of agitation were destined to disturb the peace of the realm in future years.

It was in the fifteenth century that the policy of enclosures developed and supplied a new cause of agitation. Enclosures resulted from the gradual development of manufacturing of cloth in home industries and small factories. Sheep raising became a prosperous industry. Enterprising lords of the manors fenced their lands and utilized them for sheep pastures. The days of self-sufficing husbandry were rapidly passing, and money-making became the predominant motive in agricultural enterprise.

A new type of landlord appeared. Prosperous

merchants and professional men came from the towns to the country in large numbers and purchased land. These men united their efforts with the more enterprising lords of the manors in developing profitable sheep farms. "The old-fashioned farmer," says Montague Fordham, "with his strips in the open arable fields, his common rights and the manorial customs for which he stood, under which the lord and great landholders were limited in the number of sheep that they could turn onto the common, must have seemed an intolerable obstacle to progress."¹⁰

The effect of enclosures changed completely rural organization, and produced social and economic consequences of great significance. Sir Thomas Moore described the situation in 1515 as follows: "The farmers were got rid of by force or fraud, or tired out with repeated wrongs in departing with their property." Again he says: "Your sheep may be said now to devour men and unpeople not only villages, but towns." But individual protest was unavailing and the system of enclosures continued through the fifteenth, sixteenth, and the first half of the seventeenth centuries. Probably no other policy in rural life in any country ever produced such grave consequences or resulted in so great a number of social and economic problems as this one. Parliament passed numerous statutes dealing with various aspects of the situation. Some were tempo-

¹⁰ *A Short History of English Rural Life*, Chap. VI, p. 82.

rarily beneficial; others were detrimental; and still others were practically devoid of results.

The peasants, as usual, were the most seriously affected by enclosures. They did not all react in the same way as a result of the effects of enclosures on their situation. "In some cases," says Fordham, "the peasants succumbed to the arbitrary encroachments on their rights, and wandered off to other manors; in other cases, they bargained for terms and got some compensation when appropriations took place; but many independent men who were not inclined to give way decided not to trouble law courts or government, but to fight the question out in their own way. Some assembled in bands, armed themselves and drove off the enclosures, whilst others took part in the local risings that occurred from time to time between 1530 and 1560."¹¹

One of the most remarkable of these agrarian risings was that led by Robert Ket and his brother, William. They gathered 16,000 men together and marched into the city of Norwich, which they dominated for a while. His followers hanged a number of landlords whom they deemed guilty of unjust enclosures. Ket was dominated by a desire to secure fixed rents and a small fine only on transfer of land. His object was to give definite tenure to peasant families, which was the aspiration of the farm tenants of England through several generations.

¹¹ *A Short History of English Rural Life*, Chap. VI, p. 84.

The English government at first seemed inclined to negotiate with Ket, but finally sent a military force to crush the movement. This force was strengthened by 1,400 German mercenaries. The peasants were soon completely routed by the trained soldiers and dispersed to their homes. "This was the last time," says Fordham, "that the English peasantry rose in sufficient force to make an effective demonstration against the forces of the king; but local protests against enclosures continued, the most noticeable being the action of the Diggers and the Levellers during the first half of the XVIIIth century."¹²

Agrarianism in France

Agrarianism in France has a different history from that of England. The general conditions of land holdings in France and England did not differ materially during the Middle Ages or the early modern period. The feudal system prevailed in both countries, and rural organization was very much the same wherever this system existed. Particular variations, when they occurred, were due to different social conditions, rather than to fundamental differences in land tenure policy.

The French peasant experienced the injustices of the feudal régime previous to the Revolution, and he has had his difficulties since that time. But the conflicts between peasant farmers and land-

¹² *Op. cit.*, Chap. VI, p. 86.

lords were not so pronounced in France as in England. The French peasant experienced his greatest privations as a result of war and pestilence. Because of this fact, few agrarian revolutions have occurred on French soil. This may be explained by the fact that the privations experienced were traceable to the uncontrollable consequences of war and the ravages of disease, rather than to the arbitrary exercise of power by a predominant class. It is also true, as Helen Douglas Irvine says, that "those who have been oppressed through long ages do not rebel, not, at any rate, until a period of comparative means and leisure has stimulated their imagination so that they have an ideal standard of living."¹³

That this is true is indicated by the fact that the French peasants have rebelled but a few times against their landlords. The thrift of the French peasants is well known, and, while through the ages they have experienced all of the restrictions incident to the feudal system, they have enjoyed relatively more prosperity than rural dwellers of other countries similarly situated.

The greatest discontent of the French peasant came about when a period of reasonable prosperity was followed very unexpectedly by adverse conditions. An illustration of this occurred in the thirteenth century. The thirteenth century and the early part of the fourteenth century have been generally regarded as a period of great prosperity, but

¹³ *The Making of Rural Europe* (1923), Chap. V, p. 67.

the Hundred Years' War reversed conditions and brought great suffering to the peasant proprietors. Their fields were laid waste by invading armies and the rural population became the prey of underpaid soldiers and lawless marauders. It was during this period that the great peasant rising, called the *Jacquerie*, occurred (1358). This was a civil war between the nobility and the peasantry. The spirit of rebellion swept over a large area of the country and became a serious menace to life and property. The peasantry swore to put the nobles to death and proceeded to carry their threat into execution. The historians tell us that "everywhere at night the skies were aflame with burning castles. Lords and ladies were massacred or tortured with brutal barbarity." The organized armies of the nobility, however, were able to overcome the poorly clothed and inadequately equipped peasants, and the insurrection was stamped out. This peasant rising is significant because it is one of the few attempts of the French peasantry to right their wrongs by force of arms.

As the Hundred Years' War progressed, the differences between peasants and landlords increased. Many landlords became capricious, overbearing and increasingly unjust. This general attitude is partially explained by the fact that they were experiencing great privations as a result of the long continued war activities. It caused the peasant proprietors to organize secretly for self-protection. In

protest against them, many peasant village communities were able to force the granting of charters from their overlords. The final result of the Hundred Years' War, therefore, was the decrease in the powers of the landlords and the increase in the independence of the village communities.

War, famine, and disease increased the dependence of the central governmental authorities throughout the fifteenth century, which resulted in greater freedom of action on the part of the producing class. The French kings adopted the policy of ignoring the landlords and extending favor to the peasants. This situation was in marked contrast to the situation in England, where the lords and the Crown usually stood together in all matters affecting the rights of the peasants. Henry IV, Louis XIII, and Louis XIV were notable examples of French kings who interceded in behalf of the peasants. They took an active interest in securing common rights for the peasants in the forests, and in more than one instance they forbade landlords to impose arbitrary aids and tolls and issued decrees denying them the right to shoot and hunt on sown land. Louis XIV severely punished landlords who inflicted arbitrary punishment on some of their tenants.

After the close of the Middle Ages absentee landlordism increased in France. Absenteeism was generally advantageous to the peasant farmer. Most of the landlords who remained on their estates were far too poor to be a menace to their tenants. "Ab-

senteeism," says Helen Douglas Irvine, "strengthened not only the independence of the peasants but also the class-feeling both of them and of their superiors. In the later eighteenth century there was a tendency, on the part of some needy lords, to greater strictness. Accumulated arrears of rents were collected; rents in kind were fraudulently measured; there were encroachments on the commons and attempts to exact forced labour on the scale of a past age. . . . But the peasants were far removed from the meekness which accepts oppression dumbly, and down to the very eve of the Revolution there were landlords, especially in Brittany and Vendée, who maintained even affectionate relations with them."¹⁵

The agrarian aspects of the French Revolution were due to two causes—the existence of privileges and the financial policy of the central government. We are told that at the time of the Revolution 275,000 Frenchmen possessed these privileges.¹⁶ These nobles held feudal rights, which consisted of money or produce in kind. They were themselves exempted from taxation as a reward for some public service and had assumed authority as proprietors of great agricultural enterprises. These privileges consisted of monopolies to sell farm products in local markets, to charge tolls and to appropriate a portion of the product as a rental for land. This situ-

¹⁵ *The Making of Rural Europe*, Chap. V, pp. 74 and 75.

¹⁶ Louis Madelin's *The French Revolution* (1923), Chap. I, p. 6.

ation caused great dissatisfaction, and, as most of the landlords had moved away, no satisfactory understanding could be reached on the part of the tenant. The peasants were in a state of misery, and, when the nation rose in protest against the Crown, it was easy to influence them to join the rebellion.

The fall of the Bastille, on July 14, 1789, and the insurrection in Paris were followed by similar uprisings in the rural districts. "In most provinces," says Hayes, "the oppressed peasants formed bands which stormed and burned the *chateaux* of the hated nobles, taking particular pains to destroy feudal or servile title-deeds. Monasteries were often ransacked and pillaged. A few of the unlucky lords were murdered, and many others were driven into the towns or across the frontier."¹⁷

The first great act of the National Assembly, when it convened in October, 1789, was to destroy feudalism and abolish serfdom. The object of the decree was to calm the peasant revolt in the provinces. But it should be observed that "the peasants had already taken forcible possession of nearly everything which the decree had accorded them. In fact the decree of the Assembly constituted merely a legal and uniform recognition of accomplished fact."¹⁸

¹⁷ *A Political and Social History of Modern Europe*, Vol. I, Chap. 14, p. 479.

¹⁸ Hayes, *Op. cit.*, Vol. I, Chap. 14, p. 481.

Láter the National Assembly ordered the large estates broken up and offered for sale to the peasants in blocks of 2 or 3 acres, on very reasonable terms. All farm rents were abolished without compensation to the landlords. "The rich," said Marat, "have so long sucked out the marrow of the people that they are now visited with a crushing retribution."

The abolition of feudalism with its archaic system of privileges was the most important achievement of the French Revolution. The year 1789 is therefore a notable one in agrarian history because it marked the end of servile tenure in France.

Agrarianism in Germany

When we turn from France to Germany, we find a difference in the history of agrarianism. Land tenure policies in Germany were far from uniform. East of the Elbe the land was settled relatively late. The estates were large in this section and the landlords completely overwhelmed the peasant class. But western, central, and southern Germany developed a dense population by the early Middle Ages, and small-scale farming became the settled policy of the country. As many towns developed in this region, good markets were available for the sale of farm products and the peasant class prospered and became a well contented and thrifty element in the population.

Conditions gradually changed for the worse, and

by the end of the fifteenth century the German peasant was experiencing hardships similar to those endured by the farming classes in other European countries.

There was great difference in the status of the German peasant at the time of the Protestant Reformation under Luther. Some of the German peasants were completely free; some were slaves. But between these extremes there was a great mass of the rural population who were bound by every gradation of servitude. The tendency of the times was to restrict more and more the freedom and privileges of the peasant class. "The blame for this state of affairs," says Ernest F. Henderson, "is to be thrown chiefly upon two great causes: the increase in luxury of the upper classes, consequent, in part at least on the improved facility for intercourse with other nations; and, secondly, the introduction of the old Roman system of legal procedure into the law courts of Germany."¹⁹

The burden of providing funds to meet the landlords' increasing demands fell upon the peasants. "The most hated impositions," says Henderson, "were the *Frohndienste*, or menial services, and the *Todfall*, or inheritance tax, that took from each property so often as it changed hands the best head of cattle or the best piece of raiment. Among the services required were some of the most trivial and galling character—to frighten off the wild beasts

¹⁹ *A Short History of Germany*, Chap. X, p. 246.

from the garden by continuous shouting, or to quiet the frogs in the pool while the master slept. . . . At the same time they were goaded to madness by numberless petty oppressions. Their children were required to do service in the master's household; they themselves were called upon for extra labor without payment; water was withdrawn from their mills; their fields were hunted over; and their crops ruined with no possibility of obtaining compensation. Their general condition at the beginning of the sixteenth century was one of extreme wretchedness; their farms were mortgaged at a high rate of interest, and it was a common thing to pledge the coming harvest in return for an immediate loan."²⁰

These conditions caused peasant rebellions in various localities during the sixteenth century. The great Peasant Revolt began in 1524. The landlords stubbornly resisted the attacks of the peasants and were finally completely victorious. As a punishment for this rebellion, the landlords exercised greater tyranny and injustice toward the tenants and brought them into complete subjection.

In the seventeenth century the Thirty Years' War contributed further to the sad conditions of the peasants. The country was repeatedly devastated, and, as the armies were composed largely of professional and adventurous soldiers who did not respect private property rights, the rural population suffered great hardships at their hands. Much culti-

²⁰ *Op. cit.*, Chap. X, pp. 248 and 249.

vated land was caused to lie waste. The flocks and herds on the farms were greatly reduced and there was little market for agricultural produce.

The Peace of Westphalia brought some relief to this situation. In Alsace, Lorraine, Baden, Suabia, Franconia, Thuringia, Hesse, and the Palatine where the peasantry had been so completely oppressed by the landlords in previous centuries, comparative freedom was now secured and a fair degree of prosperity was restored. Lands that had been left fallow because of war conditions were now brought back into cultivation and yielded abundant crops. War conditions had completely changed the financial status of the landlords.

The situation was entirely different from that of France during the seventeenth and eighteenth centuries, as there was no absentee landlord situation. It was more like the English landlord situation during this period in which the large landowner was interested in farming and was endeavoring to regain his power and influence by monopolizing and distributing the produce of the farm. The situation differed from that of England in that no effort was made to adopt the policy of enclosures and deprive the landless man of the privilege of tilling the soil.

Agrarianism in Other Parts of Europe

Practically no country of western Europe was free from its agrarian problems. Land tenure policies developed class consciousness on the part of the

peasant population and a spirit of protest against various forms of service tenure. Peasant emancipation was gradually brought about in one way or another. As a rule, the immediate results of peasant revolutions and organized resistance against existing conditions had the effect of decreasing the freedom of action of the peasant, but the ultimate results were liberalizing and helpful to their cause.

In some countries the emancipation of the peasant population came relatively late. For example, in Bohemia, Moravia, and Silesia, in Poland and in Hungary, freedom from serfdom did not come until well on in the nineteenth century. In all the central and southern European countries freedom of action of the peasants was more restricted in the seventeenth and eighteenth centuries than it had been during most of the late Middle Ages. This is explained by Helen Douglas Irvine, as follows: "Partly this was due to the strengthening power and the growing arrogance and exclusiveness of the aristocracy. Partly it was a result of the new knowledge of agriculture which made landlordship potentially very profitable. All over Central Europe there came to be two kinds of landlords. There was first the landlord of the mediæval type who on his demesne produced only for the needs of his household, and who derived his further income from the customary rents paid to him in kind and in money. Secondly, there was the landlord whose chief dependence was on his home farm, whose object it

therefore was to enlarge its area whenever possible, and to exact from his tenants forced labour to the utmost limit." ²¹

In the Balkan Peninsula the customary tenants of the land lived in abject poverty through most of the Middle Ages and the early modern period. In Roumania the landlords gained increasing power, and the independence of the peasants correspondingly decreased after the wars of the late sixteenth century. In the eighteenth century both the landlords and the peasants were oppressed by the government. The agrarian revolutions of 1763, 1765, and 1821 were strikingly different from revolutions in other countries, in that both landlords and peasants united their forces to resist the arbitrary power of the ruling class. Roumania, like France, went through a period of absentee landlordism in the nineteenth century and the peasants were left on the estates to live in wretchedness and misery. Agricultural practices were unusually crude and the ignorance of the peasant farmer became proverbial. The more enterprising peasants emigrated to the more prosperous countries of Transylvania, Bulgaria, and Serbia. Servile tenure of land remained the predominant land tenure policy until very recent times. But gradually in every country of western Europe the peasant class acquired freedom of action and a better social status.

The feudal system served a great purpose in its

²¹ *The Making of Rural Europe*, Chap. V, p. 83.

relation to the organization of modern states in laying the foundation for the wealth and power of modern nations. But the efficiency of the feudal organization involved the stratification of the social order and resulted in great hardships and privations. The struggles of the submerged classes on the feudal estates for freedom and social justice constitute an important chapter in the history of human action. It is not too much to say that the aspirations of the English peasant for freedom and equality of opportunities have constituted the basic motives for the Declaration of American Independence and the bill of rights in the federal constitution, and in the organic laws of most of our American states.

CHAPTER III

RECENT AGRARIAN TENDENCIES IN EUROPE

When we turn from agrarianism of the past to agrarian movements of recent times in Europe, we find that both the methods and motives of the rural population have changed. The peasant risings of the past grew out of restrictions incident to land tenure, and protests were against landlords whose power deprived the tillers of the soil of freedom of action and a rightful share of the farm produce. Agrarian agitations in Europe in recent times have resulted mainly from dissatisfaction with farm labor conditions, costs of transportation and uneconomic systems of distribution.

Agrarianism as an expression of concerted action on the part of farm producers may be said to have disappeared almost during the nineteenth century. With the passing of servile tenure, farmers everywhere seemed to have lost their consciousness of solidarity. If any feeling of injustice existed in the first half of this century, at least it was submerged in the rising tide of industrialism. Both the mechanical and industrial revolutions began in the eighteenth century, but their full effects were not attained until far into the nineteenth century.

H. G. Wells tells us: "There is a tendency in many histories to confuse together what we have here called the *mechanical revolution*, which was an entirely new thing in human experience arising out of the development of organized science, a new step like the invention of agriculture or the discovery of metals, with something else, quite different in its origins, something for which there was already an historical precedent, the social and financial development which is called the *industrial revolution*. The two processes were going on together, they were constantly reacting upon each other, but they were in root and essence different. There would have been an industrial revolution of sorts if there had been no coal, no steam, no machinery; but in that case it would probably have followed far more closely upon the lines of the social and financial developments of the later years of the Roman republic. It would have repeated the story of dispossessed free cultivators, gang labour, great estates, great financial fortunes, and a socially destructive financial process. Even the factory method came before power and machinery."¹

These revolutionary influences produced great changes in agricultural enterprise. Agricultural practices became increasingly scientific, and the farm population profited by mechanical invention and the adaptation of machinery to farm uses. But the predominant effects of industrialism were busi-

¹ *Outline of History* (1920), Vol. II, Chap. XXXIX, p. 393.

ness organization on a large scale and the compelling motive of profit-sharing on the part of the capitalist class. These influences produced a cleavage between industrial labor and the capitalist class which gained momentum almost continuously throughout the nineteenth century. H. G. Wells, in describing this movement, says: "Property, so far as it was power, was being gathered together into relatively few hands, the hands of the big rich men, the capitalist class; while there was a great mingling of workers with little or no property . . . who were bound to develop a common class consciousness of the conflict of their interests with those of rich men." ² This conflict of interests produced profound effects, but in European countries these influences were not sufficient to disturb greatly the peace of mind of the rural dweller.

Up to the last quarter of the nineteenth century, the peasant farmer and the industrial laborer did not recognize that they had anything in common. But expropriations and economic handicaps gradually caused these classes to become more fully aware that social injustice, as it applied to them, resulted from similar causes. Socialistic literature increased very rapidly after the middle of the nineteenth century. The writings of Karl Marx (1818-1883), a part of which were done in the British Museum Library in London, attracted the early attention of the industrial population and gradually

² *Outline of History* (1920), Vol. II, Chap. XXXIX, p. 398.

found their way into the homes of the farm population. Slowly the peasant farmer began to realize that the methods of the industrial worker were bringing about results. "Throughout the ages," says H. G. Wells, "we find the belief growing in men's minds that there can be such a rearrangement of laws and powers as to give rule and order while still restraining the egotism of any ruler and of any ruling class that may be necessary, and such a definition of property as will give freedom without oppressive power. We begin to realize nowadays that these ends are only to be attained by a complex constructive effort; they arise through the conflict of new human needs against ignorance and old human nature; but throughout the nineteenth century there was a persistent disposition to solve the problem by some simple formula."³

It should be observed that agrarianism was influenced in two ways by the industrial revolution. In the first place, we find that the peasant farmers of England were inclined to adopt the methods of the industrial workers. This was particularly true in the early stages of agrarianism in recent times. In the second place, we find that the peasant farmers found it desirable to form an alliance with organized industrial labor. This was the direct result of the widespread feeling that the forces of the opposition were too strong and that it would require too long a period of time to get results by working alone.

³ *Ibid.*, Vol. II, p. 403.

The alliance between organized labor and agricultural labor forces is the most recent manifestation of the agrarian movement.

Rural Syndicalism

Syndicalism was one of the earliest methods of industrial labor to be adopted by the peasantry of England. Rural syndicalism spread from the cities to the country rather early. We hear of the first agricultural trade union in England in 1833, when six Dorsetshire agricultural laborers attempted to form a union. They were severely condemned and nothing came of their efforts. It was not until 1872 that the National Agricultural Laborers' Union was founded by Joseph Arch, a rural minister. In 1875 the National Farm Laborers' Union was organized for the purpose of buying land for farm laborers out of the subscriptions of members. The Land Restoration League in England, whose policy it is to tax landlords in order to abolish rent, is one of the numerous manifestations of the rural syndical movement.

The land nationalization movement is one of the interesting manifestations of agrarianism in England. The forerunners of this movement were Thomas Spence (1750-1814), William Ogilvie (1736-1813), and Thomas Paine (1737-1809). Thomas Spence's lecture on *The Real Rights of Man*, William Ogilvie's essay on *The Right of Property in Land*, and Thomas Paine's *Agrarian Justice*

present essentially the same point of view, i.e., that every individual has an inalienable right to an equal share in land which is the common inheritance of mankind. The point of view of these early reformers is indicated by the doctrine laid down in the essay of Ogilvie that "every man has a right to an equal share of the soil, in its original state," and that "everyone, by whose labor any portion of the soil has been rendered more fertile, has a right to the additional produce of that fertility, or to the value of it, and may transmit this right to other men." In commenting on these maxims Ogilvie says: "On the first of these maxims depend freedom and prosperity of the lower ranks. On the second, the perfection of the art of agriculture and the improvement of the common stock and wealth of the community."

The land reform movement did not make much headway until the Land Nationalization Society was founded in England in 1881, as a result of the book by Alfred Russel Wallace on *Land Nationalization: Its Necessity and Its Aims*. This distinguished scientist and social reformer, a contemporary of both Charles Darwin and Henry George, advocated the confiscation of privately owned land by means of the taxation of land values. The Society did not make much headway for a time. The advocates of land nationalization could not agree as to methods. While some agreed with the policy advocated by Wallace, others strongly advocated

the direct purchase of land by the government. The only tangible result that has been obtained from this movement up to the present time has been the adoption in England of the principles of taxing land values.

Previous to the World War, the actual accomplishments of rural syndicalism in England cannot be said to have been very great. Bad farming seasons in the late nineties caused a great reduction in membership in these organizations, but unusual activities of trade unions just before the War began in 1914, resulted in a revival of agricultural labor unions. In fact, two local agricultural laborers' strikes occurred, which was something unusual in English agrarian life. Farming became profitable when hostilities began, and war conditions required every possible encouragement to production. The National Agricultural Laborers' Union and the agricultural section of the Workers' Union greatly increased in numbers in 1920 and 1921. While these organizations numbered only 18,288 members in 1914, the number has increased to 350,000 since the War. In other words, almost half of the whole number of agricultural laborers of England have become farm unionists. Their organizations are modeled after the trade unions. The more extreme element in these organizations favors a policy of land nationalization. Their most signal accomplishment, however, has been in securing better terms for agricultural and industrial day laborers.

Agrarianism has had an interesting history in Ireland in recent times. The struggle of the Irish peasant to secure the "Three F's"—fair rent, fixity of tenure and free sale—is familiar to most students concerned with rural welfare. The conflicts between alien landlords and the tenant class and between the divergent interests these classes represented, brought about more definite results than were obtained in any other section or country of Europe.

The Deasy Act of 1860 was the first attempt by legislation to give the tenant the full advantages of free contract. But this act proved to be illusory. A more successful effort was made through the provisions of the Land Act of 1870. The principal object of this law was to prevent the arbitrary eviction of farm tenants by landlords. The Land League of Ireland, a strong agrarian organization, influenced Gladstone to extend further aid by legislative means. "It is essential," says one of the reports of this league, "to recognize the state of things existing in Ireland and to acknowledge the co-ownership of the tenant with the landlord in a more complete manner than would the law of 1870." As a result of this report the Act of 1881, which has been called "The Magna Charta of the Irish Peasant," was passed. This act secured for the tenant a regular rental charge and complete security in his tenure as long as he lived up to the conditions of his contract. The Ashbourne Act of 1885 and a more comprehensive measure passed in 1891 made it

possible for farm tenants to secure long-time loans at low rates of interest to be used in the purchase of farm homes.

Agrarianism took the form of syndicalism in Scotland. As early as 1865 an agricultural laborers' trade union had been formed, and in 1921 the Farm Servants' Union had a membership of approximately 21,000.

Syndicalism in Italy and Spain

Italy has accepted rural syndicalism with open arms. It is not so well established as in England, but its influence has been extended much farther. All those who adhere to the *Partito Popolare*, or Catholic party, make the winning of more land for the rural proletariat their final aim. This organization is very strong in rural Italy. A rival organization is the National Federation of the Landworkers of Italy. The openly avowed aim of the Federation is land nationalization. It is interesting to observe that these leagues, which form the National Federation of the Landworkers of Italy, did not grow up in southern Italy, the land of the *latifundia*, where farm laborers were oppressed, but in northern Italy, in Lombardy and Venetia, where agriculture was more prosperous and where the agricultural population was more adequately sustained.

The ultimate weapon of both the *Partito Popolare* and the Land Workers' Federation, like that of the

industrial workers, is the strike. The strike has been used to compel the employers to provide modern contracts for these day laborers which are drawn up and approved by the unions. These contracts involve shorter working hours and better labor conditions. In 1919 and 1920 the unions in Apulia attempted to limit the use of machines operated by horse or steam power. Since 1919 the farm laborers have forced upon employing farmers a contract agreement that there shall be a certain ratio between the area of the farm and the number of men who cultivate it. A refusal of the landowner to comply with these conditions resulted in the costly agricultural laborers' strike in the province of Bologna in the harvest season of 1920.

Rural syndicalism has manifested itself in Spain in about the same way that it has in Italy. The land workers in Spain are organized in two parties. One party, known as the Whites or Catholics, advocates an agrarian policy that will make it easier for the landless man to acquire a farm home. The other party, known as the Reds or Socialists, is much more radical and looks to land nationalization as its ultimate accomplishment. The Catholic agrarian organization proposes to subdivide the *latifundia*, or large estates, and sell them on liberal terms to peasant farmers. The General Union of Workers of Spain, which is the name of the socialist organization, has undertaken to secure compensation from the landlords to tenants for the improve-

ments they make on the land they cultivate. This organization also favors exemption of farm implements from seizure for debt and advocates a more prolonged leasing system. While these have been the immediate objects the organization has attempted to accomplish, its ultimate aim, as announced in its program of 1920, is that the land of the country shall be nationalized and that agricultural associations shall be formed for the utilization of the land under the advice of farm experts.

The Socialist agricultural laborers' organizations of Spain have not been able to accomplish their ultimate aim, but they have brought about results in the way of securing higher wages and shorter working hours for farm laborers. That their program has not always been guided by good judgment, is indicated by the fact that in 1919 they undertook to enforce a working day of eight hours or a working week of forty-eight hours, both for agriculture and industry. Rural organizations of the less radical type and several provincial councils of agriculture entered a strong protest against this demand, as it proved impracticable to provide uniform working hours throughout the year. As a result of this protest a compromise was reached that extended the day laborer's maximum day to ten hours in busy seasons.

There have been much unrest and great agitation in the rural sections of Spain, due to the conflict in the policies of rural organizations. But rural syn-

dicalism is producing profound effects with reference to agricultural practices and economic policy, and out of the agitation may come a more hopeful agricultural situation in Spain.

Agricultural Unions in Germany and Scandinavia

In Germany agricultural laborers were forbidden by law to form rural unions until 1919. Since that time a number of local agricultural unions have been formed. According to German newspapers, there were nine thousand of these unions in 1920, with a total membership of approximately 700,000. Economic conditions since the War have given the German farmer increased influence. The depreciated currency for a time almost reduced exchange to a state of barter. As the German farmer controlled the food supply with which he negotiated for manufactured goods, he was able almost to make exchange on his own terms. This situation, together with the increased power resulting from unionism, brought about better working conditions and more satisfactory standards of living. In the northeastern part of Germany, where the landlords and the farm peasants represented the leading element of rural society, the effects were especially noticeable.

In recent times agricultural unionism has not exerted so great an influence in the Scandinavian countries as in other parts of Europe. The reason is easy to understand. They are countries of peasant farmers, the farm laborer constituting a rela-

tively insignificant portion of the farm population. Unions of agricultural workers exist in all these countries, but their influence on the length of the working day and other aspects of labor conditions has not been very significant. "Their agreed working day varies reasonably with seasons, and in Sweden with districts," says Helen Douglas Irvine, "and they are readier than the Italians and Spaniards to allow overtime, paid for at an extra rate, in times of heavy work. This difference between south and north depends, in the first place, on the absence of agricultural unemployment in the north. In Sweden the population is sparse save in the south; timberfelling and some other industries rival agriculture as a market for labour; and on the richer soil tillage is intensive. There is even a shortage of agricultural labour in some parts of Sweden. In Denmark cultivation is so highly intensive that it absorbs the available supply of labour. Sweden and Denmark are also differentiated from Italy and Spain because their peoples make no effective demand for land nationalization. They are without the horde of unemployed and land-hungry peasants and labourers whom a Socialist agitator can regiment in his army. The Swedish and Danish nations, of whom so many are small thriving farmers, do not desire to overthrow the present system of land tenure, although some of them may wish to modify it here and there. Their trade-unions do not demand conditions in-

consistent with good farming and with a high rate of agricultural production.”⁴

In 1920 there was organized in Norway what was known as the Agrarian Party. This party is rather conservative in its policy, but nevertheless it is a class party fighting for the interests of farmers. This party brought out a complete ticket in the election in 1921. They came out strongly against communism and in favor of a high protective tariff on agricultural products. The Agrarians elected seventeen representatives in the last Storting, and there is every reason to believe this new party will increase its influence in the political affairs of Norway during the next few years.

Land Nationalization in Eastern and Southeastern Europe

Of all the far-reaching changes wrought by the World War in the political and social structure of European society, none are more significant than the agrarian reforms which have been produced in eastern and southeastern Europe. The overthrow of the Tsarist régime in Russia had important agrarian consequences. “The Fundamental Law of the Association of Land” was adopted in Russia in September, 1918. This land law provides for abolishing “all property rights.” The right to use the land is assigned to those who till it by their own labor. The apportionment of land is under the

⁴ *The Making of Rural Europe*, Chap. X, p. 183.

jurisdiction of the village, county, provincial, regional, and federal land departments. The order of assignment as decreed under Division 1, Article 10, of the Land Law is as follows:

"The land departments of the local and central Soviets are thus entrusted with the equitable apportionment of the land among the working agricultural population, and with the productive utilization of the natural resources. They also have the following duties:

"(1) Creating favorable conditions for the development of the productive forces of the country by increasing the fertility of the land, improving agricultural technique, and, finally, raising the standard of agricultural knowledge among the laboring population.

"(2) Creating a surplus of lands of agricultural value.

"(3) Developing various branches of agricultural industry, such as gardening, cattle-breeding, dairying, etc.

"(4) Accelerating the transition from the old unproductive system of field cultivation to the new productive one (under various climates), by a proper distribution of the laboring population in various parts of the country.

"(5) Developing collective homesteads in agriculture (in preference to individual homesteads) as the most profitable system of saving labor and material, with a view to passing on to socialism."

The law contemplates standards of agricultural production and consumption on a basis of an agricultural census and a topographic survey. A definite plan is outlined for determining the labor capacity of the arrangements in the agricultural population. The utilization of land is carefully co-ordinated with the man-power units of productive effort.

"Twenty-five years ago," says Joseph Newburger, writing in *Commerce and Finance*, issue of September 17, 1924, "you could have seen great farms stretching away sometimes to the horizon, with a grand mansion and spacious park-like grounds in the center, and learn that Prince This or That Count owned all these 10, 20, 50, 100 or 200 thousand acres. You would see women, bareheaded and poorly clothed, working in the fields with the men. No, the Prince or Count was not at home. He was living sumptuously at Paris or some other pleasant place, or touring the world in his yacht, or otherwise disporting himself on the wealth which the old economic system was wringing from these peasants, who had barely enough to keep body and soul together.

"Today the Prince and Count are still abroad, but wherever they are or whatever else they are doing, they are not living riotously on the labor of Russian peasants.

"I am neither Socialist nor Communist, nor does one have to be in order to see that eighty millions or more of the Russian people, the farmers, are

much better off now than they were under the old régime. I saw no evidences of famine. I lived well at moderate cost, and even had one thing in Russia that I could not get anywhere else in Europe—watermelon. The land has all been confiscated by the state, it is true, but did not the French do the same in their revolution, and did not our own government 'confiscate' 4,000,000 negro slaves when in the Civil War it abolished slavery? Who will assert that vested rights with no other basis than centuries of expropriation are sacrosanct?

"The people now have the land and are working it for themselves. Is not this as it should be? Moreover, they have gone to the Mosaic law for a model for their revenue system, the peasants yielding up to the government for its support the tenth part of their increase. Was the lawgiver of Israel a Bolshevik? This agricultural individualism is something the Communists may yet make some sort of compromise with, but they never can overcome it. What cares the peasant for theoretical national titles to the land while he has the land itself and its fruits on such terms?"

After the World War the Communist government of Hungary also took the plunge into land nationalization. The feudal *Latifundia* had long been accepted as a rural land policy of this country. Before the social revolution following the War, the former government had proposed to break up the vast estates and partition them out as small farms

on the basis of peasant proprietorships similar to those of France and Italy. But the Socialists opposed increasing the number of landowners in this way, as private ownership would gain in strength by such a procedure. The prevention of this plan partly accounts for the success of the Agrarian Revolution that followed the World War.

In southeastern Europe agrarian reforms brought about by war conditions have taken the form of an agrarian revolution. The estates of the large landowners almost everywhere have been expropriated on terms which virtually amount to confiscation. This Agrarian Revolution has coincided in nearly every instance with a vast political upheaval, which has resulted in an almost complete collapse of old political and economic organizations, and made possible radical changes in rural economic and social institutions.

In Roumania, for example, agrarian problems were pressing for solution on the eve of the World War. A peasant rising had occurred in 1907 which resulted in the creation of the *Casa Rurala*, or land bank. But the activities of the bank in providing rural credit had proved disappointing, as less than fifty thousand acres of land had actually come into possession of the peasantry through its aid prior to Roumania's entry into the War. "Indeed," says Ifor L. Evans, "it was slowly becoming apparent that recourse would have to be had to very drastic measures before the land-hunger of the rural popu-

lation could be satisfied, and as early as 1913 the Liberal Party declared its adherence to the principle of the expropriation of the large landlords to this end.”⁵

But the legal process of expropriation was not authorized until June, 1917. While Germany was actually occupying Bucarest, the Roumanian Parliament, which sat at Jassy, convoked a Constituent Assembly which amended the constitutional provisions with reference to private property. The right to expropriate private property for reasons of public utility existed previous to this time. The Constitutional Amendment of Jassy, as it is now called, greatly extended the policy of expropriation. “In order to establish peasant ownership,” says Evans, “it was decreed that all inalienable lands, and all lands belonging to foreigners, absenteeists, corporations and institutions, the Crown and the *Casa Rurala* should be completely expropriated; while, most important of all, the private owners were to be called upon to furnish between them two million hectares (nearly five million acres) of cultivable land as well.”⁶

The net result of this legislation, according to Evans, has been that over two and a half million hectares, or 6,250,000 acres of cultivable land, has already (1924) been expropriated in the old kingdom of Roumania. The main object of agricultural

⁵ *The Agrarian Revolution in Roumania* (1924), Chap. V, p. 100.

⁶ *Ibid.*, Chap. V, p. 102.

legislation in Roumania has been the establishment of peasant proprietorships on a firm basis and the final elimination of the landless proletariat. Roumania has gone a long way in the accomplishment of this task.

*Some of the General Effects of the Agrarian
Movement in Europe*

The Agrarian Revolution that has been spreading over Europe since the World War is at the present time exerting an important influence not only with reference to land tenure, but also with reference to land utilization, agricultural coöperation and rural credit. No attempt will be made to trace these influences in all countries to which reference has been made, but this discussion would be incomplete without some comment on the influence the agrarian movement is having upon the farm populations themselves.

In England the agrarian movement has resulted in guarantees to the tenant farmer that he shall receive adequate compensation for the improvements made during his tenancy. Legislation designed to protect tenants' rights was enacted as far back as 1883. Since that time a number of acts have been passed. The Agricultural Holdings Act, which is a consolidation of several previous statutes relating to this matter, became a law in 1908. But the ultimate effects of these measures have been more definitely felt in recent years. While the English

policy of protecting the rights of tenant farmers in the improvement made on the land they cultivate has had a tendency to discourage farm ownership, it has resulted in greater interest on the part of the tenant in maintaining soil fertility, adopting a better system of crop rotation, and the improvement of farm life conditions in general.

The agrarian movement in France has liberated the French peasant from the thralldom of feudal traditions and greatly increased his desire to own a small farm of his own. The extent to which this tendency has operated is indicated by the fact that out of a total of 5,300,000 landholdings before the War, 4,500,000, or 85 per cent, were less than 25 acres, and more than 2,000,000 were less than two and a half acres. Most of these small holdings are in the northern part of France in the devastated territory. One of the effects of the fighting in this region was the obliteration of many of the original boundaries of the small proprietorships. In the work of restoration it has been found less expensive and more satisfactory to consolidate many of these small holdings, thus increasing the size of the individual farm.

The thrifty little country of Holland is confronted with the problem of increasing the arable land to supply the needs of a rapidly increasing population. Recent statistics show that there are 205 people to the square mile; whereas in France there are only 74, in the United States 11, in Argentina 3, and in

Australia 1. The population of Holland has doubled in the last forty years. There are 200,000 farms in this little country at present, and the only means of increasing this number is to reclaim additional land from the sea or further to subdivide existing farms. The average acreage of the Dutch farms is relatively small, consisting of approximately 20 hectares or 50 acres. More intensive cultivation may make it possible to subdivide these farms. It is obvious that the process cannot go on indefinitely. It is necessary, therefore, for the farmers of Holland to exert every effort, to utilize every scientific truth, and to apply every economic principle as a means of sustaining the prosperity of their country.

In Italy there has been a tendency to divide up the family holdings in recent years. In 1912 the number of landowners was estimated at nearly five million. Of this number, approximately 2,325,000 possessed less than one hectare, or two and a half acres of land. But the number of landowners at the present time exceeds seven and a half million. The tendency to increase the number of landowners and reduce the size of farms in many parts of Europe has intensified the system of cultivation, which under normal economic conditions would greatly increase agricultural production.

The Coöperative Movement in Agriculture

No influence of the agrarian movement has been more significant than that of agricultural coöpera-

tion. While this movement is not equally well developed in the several countries of western Europe, it has manifested itself in many forms, and in most cases it is working out satisfactorily. The coöperative movement in Europe has manifested itself in the organization of coöperative societies for rural credit, for the purchase of equipment, including expensive live stock, for carrying out drainage and irrigation projects, for insurance activities, for agricultural manufacturing enterprises, and for the coöperative selling of farm products. Germany, as every well informed man knows, led the world in the coöperative credit movement. Other countries of Europe have improved greatly their credit facilities for agriculture since the War. The coöperative insurance societies engage in live stock insurance, fire insurance, and crop insurance against hail and other unusual manifestations of nature. Crop insurance has not been uniformly successful. There have been some failures of coöperative insurance societies. But there is a tendency in Europe to extend the scope of insurance to cover losses in live stock from epidemic diseases, and some additional aspects of crop insurance. European farmers have gone farther than we have in coöperation in agricultural manufacturing. There are numerous coöperative slaughter houses, bacon factories, cheesemaking establishments, creameries, and similar enterprises. These establishments have in most cases standardized their products and given them a preferential

position in the markets. It should be observed that many societies which sell raw products have established definite standards with the same effect.

No country of western Europe, however, has made as much progress in the coöperative selling of farm products as the United States. There is probably nothing to compare in Europe with the citrus coöperative organizations in California, the coöperative wheat and tobacco associations, or the coöperative cotton and vegetable associations of Texas and other states. The fact is, the coöperative selling movement in Europe is not as old as some of the other coöperative activities there. The agricultural ministries of most of the countries of western Europe are directing the attention of the farmers of their respective countries to American coöperative enterprises. While visiting the Ministry of Agriculture in London recently, the writer was told that the United States was far ahead of Great Britain in coöperative selling of farm products. Denmark and the United States lead the world in this enterprise. It is natural that countries exporting a large surplus of agricultural products should give the most serious consideration to this aspect of agricultural endeavor. But it is an important movement even for those countries where the export surplus is not great. Belgium and Germany are countries coming under this classification. They have made rather remarkable progress in agricultural coöperation.

The Right Honorable Noel Buxton, former Min-

ister of Agriculture in Great Britain, has directed attention to another retarding influence on the co-operative selling of farm products. "The British farmer," says Mr. Buxton, "is a bad seller because he has a good market. It is too near his doorstep. He has always been able to get rid of his goods, but the slump has convinced him that a change is necessary." In urging coöperation he directs attention to the necessity of grading of all kinds of agricultural produce as a means of insuring a larger fixed demand. "One of the main difficulties affecting bacon factories in this country," he says, "is the supply of the right kind of pig. Only a uniform standardized bacon can successfully compete with the reliable type imported from Denmark." He makes the same observation with reference to egg distribution and the sale of fruits and vegetables.

Agricultural writers in Europe have become somewhat alarmed for fear the agricultural movement might be carried too far. Helen Douglas Irvine, in her recent book on *The Making of Rural Europe*, directs attention to the fact that there are three groups of farmers who are affected by, and who affect, economic welfare through coöperation. The *first* includes those farmers who are too poor for successful coöperation because of inadequate leisure to think through the details of the plan. The *second* includes the capitalist farmers whose coöperation on a large scale may prove a danger to society through monopolistic tendencies. The *third*

class includes the vast number of farmers who fall between these two extreme groups.

Attention is directed also to the danger of overspecialization, which may result in unbalanced production and a failure to utilize the by-products of the farm. While these precautions may not be out of place, it is not likely that many people will feel that this is an immediate danger confronting the coöperative movement in this country.

The Growth of Rural Credit

The rural credit movement has gained considerable headway in western Europe since the War. A great stimulus to coöperative credit has been given in England by the passing of the Agricultural Credits Act in 1923. The plan contemplates the formation of credit societies with the coöperation of agricultural organizations of Great Britain. Coöperative credit also has gained considerable headway in Holland in recent years. The two Dutch central coöperative banks of Utrecht and Eindhoven report great progress. These banks have become powerful financial institutions and have contributed greatly to the financial resources of the farmers of the country. These coöperative agencies proved especially effective during the crisis that followed the close of the World War.

Agricultural credit facilities have been available in Italy for many years. One sees centralized agricultural banks in all the larger cities of that

country. But the effectiveness of agricultural agencies has not been all that could be desired in the past. Far-reaching measures have been introduced in the Chamber of Deputies recently for the benefit of agricultural enterprise. One of these bills provided for the establishment of a chamber of agriculture, similar to our Farm Bureau Federation, in every agricultural zone of the country; the other, known as the Agricultural Representation Bill, provided for an elaborate plan of coöperation in agricultural endeavor. Unfortunately, neither of these bills received the approval of the Deputies. But the royal decree of December 30, 1923, did provide for the establishment of provincial agricultural councils. The decree contemplates the coördination of all local agricultural activities, and for decentralizing and adapting to local needs the policy of the State so far as it relates to the agricultural service and the promotion and protection of agricultural production. The effect of this decree, if faithfully carried out, will be to improve the system of rural credit.

International Agencies of Agricultural Welfare

Some of these agencies, or some aspects of them, are directly or indirectly charged with the responsibility of promoting agricultural prosperity in the several nations and of disseminating useful information concerning agriculture.

The International Institute of Agriculture at

Rome is an organization really unique in the scope of activities and the nature of its work. The object of the Institute is to defend and promote the agricultural interests of the world. The idea of the Institute originated in the mind of Mr. David Lubin, an American Jew. He communicated his idea to the King of Italy, who was so impressed with the suggestion that he provided a commodious building and invited the nations of the world to appoint permanent officials to come to Rome and unite their efforts in improving the quality of production, promoting a better economic situation with reference to agriculture, and disseminating this information throughout the world.

The program, as outlined in the treaty providing for the establishment of the International Institute of Agriculture, is as follows:

“(1) Collect, study and publish, as promptly as possible, statistical, technical or economic information concerning farming, plant and animal products, the commerce in agricultural products and the prices prevailing in the various markets;

“(2) Communicate to parties interested, also as promptly as possible, the available information;

“(3) Indicate the wages paid for farm work;

“(4) Make known the new diseases of plants which may appear in any part of the world, showing the territories infected, the progress of the diseases and, if possible, the remedies which are effective;

“(5) Study questions concerning agricultural co-

operation, insurance and credit in all aspects; collect and publish information which may be useful in the various countries for the organization of works connected therewith;

“(6) Submit to the approval of the Governments, if there is occasion for it, measures for the protection of the common interests of farmers and for the improvement of their conditions.”

Practically all countries, without distinction of religion, race, language or political organization, have united in the work of the Institute, and it is rapidly acquiring a place of great importance in the development of agricultural resources.

The International Labor Organization also occupies a unique position among the agencies promoting international welfare. Article 23 of the covenant of the League of Nations pledges the constituent members “to endeavor to secure and to maintain fair and humane conditions of labor throughout the world.” The International Labor Organization, which comes within the general scheme of the League of Nations, is based, not on the covenant but on a provision in the Treaty of Versailles, which lays down a series of principles governing labor conditions. The International Labor Organization, although all the states that are members of the League are also members of it and although the budget is subject to the control of the League Assembly, is an autonomous organization with its own governing body, its own general conference and its own secre-

tariat. Official representation in the International Labor Conference consists of the following: (1) Official delegates from the several governments represented in the League of Nations; (2) representatives from employers' associations; and (3) representatives from workers' organizations.

One important aspect of the activities of the International Labor Organization is that of agricultural labor. In this field the organization coöperates with the International Institute of Agriculture in appropriate matters, as well as with the League of Nations. This interesting and unique organization has already made a world-wide study of living conditions of agricultural workers, hours of labor, unemployment, insurance, protection of agricultural laborers against accident and sickness, and schemes for stabilizing employment.

The International Labor Organization has recently occupied a great building near the Palace of the League of Nations, fronting on Lake Geneva, in the center of a beautiful park. While the people of the United States know very little about this organization, it is destined in time to exert a remarkable influence on the economic and social aspects of rural life.

As one contemplates the work of the International Labor Organization and its relation to the League of Nations, it is interesting to speculate as to why the Versailles Treaty did not provide for an International Agricultural Organization, coördinate with

the International Labor Organization and designed to serve the interests of agriculture as the labor organization was designed to serve industrial labor. It might have been possible for the Versailles Treaty to coördinate the work of the International Institute of Agriculture at Rome with the League of Nations in some such way as the Court of International Justice, at the Hague, which was already in existence when the treaty was formulated. The fact is, that the recognition by the treaty of industrial labor was the result of better organization of the forces of industry throughout the world.

While there is every reason to believe that the International Labor Organization will serve certain aspects of agriculture, and is doing so at the present time, it is quite obvious that its interests are primarily concerned with the problems of industrial labor. The failure of the Versailles Treaty to recognize the rights of agriculture is the climax of political indifference toward, and neglect of, the basic industry that is of universal concern to all nations and to all peoples.

The Historical Perspective

As we look back over the history of Europe in modern times, we find that the French Revolution marks a new era in agrarian history. This revolution swept away medieval survival and aroused a desire for feudal emancipation throughout Europe. The land reform initiated by Stein in Germany

brought even larger freedom to the rural population of eastern Prussia. The reforms were followed by the agrarian laws of 1848.

The next great wave of agrarian reform in eastern Europe came in the sixties. It was in 1861 that Alexander II abolished serfdom in Russia. "By the sixties of last century," says Ifor L. Evans, "Agrarian Reform, beginning in France, had spread right across the Continent of Europe and, with the sole exception of some of the lands under Turkish rule, the emancipation of the peasants was practically complete. Their personal status at law had been in every case completely changed; while in addition they had acquired, in a great number of cases, full proprietary rights over a very large proportion of the area previously cultivated by them. It is important, however, to emphasize the fact that the landed aristocracy also acquired a full legal title to the land which it had previously cultivated; and from the economic point of view, this legal reform had been accomplished without any parallel change in the average size of the actual unit of production. . . ." ⁷

The forty-year period immediately preceding the World War was not characterized by very much constructive agrarian legislation in Europe. But Europe, during this period, was undergoing important social and economic changes that have greatly influenced agrarianism since 1917. The rural population increased rapidly, especially in eastern Eu-

⁷ *The Agrarian Revolution in Roumania* (1924), p. 184.

rope, and more land was brought under cultivation. The large landowners profited by this situation, as the new land was usually reclaimed from waste. The increase in population led to a surplus of agricultural laborers which reduced the wage scale paid for agricultural production.

This was the general situation when the World War began, which resulted in a disorganization of social classes and economic groups unparalleled in modern history. The peasantry of Europe were ready to take advantage of the opportunities that came to them after the war had ended. Agrarianism swept from East to West, from the plains of Russia through the heart of central Europe, and on to the countries bounded by the Mediterranean Sea and the Atlantic Ocean.

As has been said, this Agrarian Revolution did not take the same form in all countries. It ranged all the way from land nationalization in Eastern and Southeastern Europe to the most obvious economic reform in Italy, France, and Great Britain. But, as Ifor L. Evans has said in the volume to which reference has been made: "This latest phase of the agrarian question should be regarded, not merely as a great and revolutionary innovation, the undesired offspring of Slavo-Marxian doctrines, but rather as the outcome, at once logical and inevitable, of centuries of human history."

CHAPTER IV

AGRARIANISM IN MEXICO

The history of Mexico is essentially a survey of ethnic conflicts and agrarian revolutions. "One cannot understand Mexico, its history, its international problems, its illiteracy," says Ramon P. De Negri, "unless one understands that large scale landholding is the base of all Mexican social organization." Humboldt says: "Mexico is the country of inequalities. Nowhere does there exist such a fearful difference in the distribution of fortune, civilization, cultivation of the soil and population." There are many lessons to be learned from a review of the history of Mexico, as it is interpreted in the light of agrarian inequalities.

Racial Basis of Agrarianism

When the Spanish conquerors invaded Mexico they found that the Indian tribes had developed an imperfect social organization based upon a primitive agrarian civilization. Prescott in his *Conquest of Mexico* directs attention to the superiority of Indian agriculture in Mexico over the husbandry practiced by most of the other tribes of North America. "It

was closely interwoven," says he, "with the civil and religious institutions of the nation. There were peculiar deities to preside over it; the names of the months and of the religious festivals had more or less reference to it."¹ Cortez explains that the Mexicans employed some methods of soil management, practiced a crude system of irrigation and provided granaries to store their crops. The significant fact is that their political organization centered in the system of *ejidos*, or agricultural communes. The individual was responsible to a patriarchal *cacique* who directed the agricultural activities of the village communities. This simple and primitive agrarian organization lies back of much of the political upheaval through which Mexico has passed during her national history.

The *Conquistadores* undertook to graft the Spanish social organization upon the native traditions and practices. The Spanish colonial policy was one of exploitation. This policy explains two significant facts: (1) By interfering as little as possible with native traditions and customs, it was comparatively easy for a relatively few cavaliers and priests to unify divergent ethnic groups by the use of the Spanish language and institutions. (2) This policy also explains the fact that the Indian race has been able to survive and exert an influence on national life and policy. This race survival is almost without parallel in the history of any country.

¹ See *Conquest of Mexico*, Vol. I, Chap. V.

The racial basis of agrarianism in Mexico is traceable today to the fact that the *mestizos* (hybrid Iberian and Indian) constitute about forty-three per cent of the population, and fifteen or twenty per cent of these maintain the old Indian traditions and social organization. Thirty-eight per cent are still Indian. A large number (perhaps two million) do not know Spanish or refuse to speak it. In other words, more than eighty per cent of the population are Indian, or part Indian, with Indian traditions predominating.² Beals states that at the beginning of the nineteenth century the population of Mexico consisted of 3,600,000 Indians, 1,000,000 *mestizos* and a million whites.

The genesis of agrarianism in Mexico arose out of the conflict between the agricultural commune system of the Indian tribes and the feudal system or *encomiendas* of the Spanish conquerors. This conflict of interests has persisted until the present time. It has been a determining cause of most of the revolutions of Mexico throughout the history of the country.

Land Hunger and Revolution

The war of Mexico for independence from Spain was essentially an agrarian revolution. "The war was not against Spain," says Ramon P. De Negri, "it was against Spanish influence. Hidalgo and Morelos, leaders of the revolution, and their Indian

² *Mexico, An Interpretation*, by Carleton Beals (1923), Chap. I, p. 5.

followers fought against *hacendados*.”³ The cause of the war for Mexican independence is traceable to the existing agrarian organization at the time. The Spanish had established a feudal land system modeled after existing systems of medieval Europe. Cortez, for example, claimed for himself 25,000 square miles of land, which included twenty-two towns with their communal labor and people. Pedro de Alvarado received the district of Xochimilco with all the inhabitants, numbering more than 30,000. A favorite of the Spanish king was awarded the entire state of Guanajuato. By 1572 there were 507 *encomiendas*. In some cases entire states were held by one family. By this system of exploitation a few Spaniards assumed ownership of practically all of the inhabited part of Mexico.

The war for Mexican independence from Spain in 1810 was fought to relieve this situation. Independence was achieved after twelve years of bloodshed and sacrifice, but the promised benefits of independence were not forthcoming. Iturbide became the first emperor of Mexico in 1822. He was himself a feudal landlord. His first official act was to declare that there would be no change in the land system. The Indians were nominally released from the land, but through a system of loans had remained slaves. A peonage policy was adopted which prevented them from leaving an estate until all indebtedness was paid. As the Indian could

³ See the *Survey Graphic*, issue of May, 1924.

rarely ever pay his obligations to his landlord, his freedom was restricted to the point of partially enslaving him.

The church became a partner with the feudal lords in acquiring vast estates. The original laws of the king of Spain prohibited ecclesiastic corporations from owning land, but they were not strictly enforced, and, by the middle of the nineteenth century, the church had acquired ownership of one third of Mexico.

The revolution of Juarez was a land war waged against the feudal lords and clerical forces. Juarez was a pure Zapotec Indian. Arrayed on his side were the liberals and the oppressed Indians. The revolutionary forces won. The constitution of 1857 and the reform laws of 1859 were designed to secure social justice and equality of opportunity to all classes. Church property was confiscated, church and state were separated, and land-holding by the church was forbidden. The great estates were confiscated, serfdom obliterated, and provision made for free and non-sectarian compulsory education. But Juarez never had an opportunity to put these reforms into effect. Porfirio Diaz forced himself into power before the reform program could be promulgated.

Diaz was proclaimed provisional president on November 21, 1876. The Mexican Congress in 1877 declared him president for four years. "This was the beginning," says Mrs. Edith O'Shaughnessy, "of

the great Porfirian peace, of Mexico's Augustan Period." The *hacendados* soon regained their power and at the end of Diaz's thirty-year reign, the distribution of land was more unequal than at any previous time. The administration of Diaz marks the culmination of large land-holding in Mexico.

Land and Liberty

The fall of Diaz in 1911 ended an epoch in Mexican history. A new era began with the ascendancy of Madero, which was characterized by revolution and counter-revolution, most of which were inspired by agrarian inequalities.

While Madero was not a forceful statesman, he was a man of splendid spirit and fine ideals. He assumed leadership at the psychological moment and with the slogan of "*Tierra y Libertad*" he soon acquired national leadership. His program included observance of the constitution, effective suffrage, social justice for the Indian population, and land reform. His overthrow and assassination prevented the realization of these plans.

The Huerta dictatorship lasted long enough for the agrarian-libertarian revolutionary forces of Mexico to reorganize for effective resistance to the elements of reaction. Governor Carranza of Coahuila, assisted by Villa, led the revolt against Huerta. He was supported by the small farming class and the middle-class business man. The character of Carranza was not fully revealed until he

proposed his constitution which was to supersede that of 1857. The original document was found to be quite reactionary, but the liberal forces in the convention were sufficiently strong to force its modification. "The constitution finally adopted," says Carleton Beals, "though it proved a hodgepodge of theory and practice, clipped from the legal systems of all nations, and lacking, in many ways, a truly organic relation to Mexican traditions, is ideally more enlightened than any similar document in existence. Its weakness resides in the very fact that it attempts to correct four hundred years of misrule in one blow without creating an organized people to make that achievement possible."⁴

It is significant, however, that this constitution authorized the return, to their original owners, of all communal lands enclosed since 1857. It fixed the maximum number of acres that one person or corporation might own. The section of this constitution that aroused foreign opposition was the one which defined the conditions under which aliens might acquire ownership of land, waters, mines, and oil fields.

But land reform was not pushed energetically by Carranza. The agrarian forces throughout the nation were greatly disappointed. His failure to fulfill the promises of the government for social and economic reform was one of the causes of his downfall.

⁴ *Mexico, An Interpretation*, by Carleton Beals (1923), Chap. V, p. 55.

The Land Policy of Obregon

The revolution which swept Obregon into office marks the high tide of agrarianism in Mexico. All the rebel factions except the followers of Felix Diaz supported Obregon. These included all the agrarian groups, such as the Zapatistas, Villistas, and Cedilistas. Obregon was strongly supported by such outstanding agrarian leaders as Villareal, who led a revolt against Diaz in 1906, Soto y Gama, founder of the *Partida Agrarista*, and many others.

When Obregon came into power in May, 1920, a program of social and economic reform began almost immediately. The government set about the task of returning to the individuals their communal estates from which they had long been dispossessed. There were 15,000 villages that were entitled to land grants. Approximately 3,000 were granted provisional possession of their lands.

The land policy of the nation was administered by a National Agrarian Commission, with branches in each state. The application of the village was made directly to the national or local commission. The acreage assigned to a village approximates a league (4,387 acres), but the quality of the soil and other conditions were considered in determining the size of the distribution.

The expropriation of the large estates was partially carried out. The land policy with reference to the *hacendados* did not imply a confiscation. The

constitution provided that when these estates, or parts of them, are disposed of for small farms, the owner is given land bonds which mature in twenty years as compensation. The value of the land is determined by the tax rendition plus an addition of ten per cent.

This was only the beginning of a program of land distribution and utilization which contemplated many other reforms. "When the work is completed," says Professor E. A. Ross, "it will take rank as one of the giant agrarian adjustments of history. In scope the land redistributions in ancient Greece, the work of the land commission of Tiberius Gracchus, or that of the Irish Land Commission are hardly to be compared with it. For parallel, one must look to the achievements of the Russian commission which, in 1861, provided with land the twenty-four million emancipated serfs."⁵

The Obregon government made definite progress toward social democracy and racial and regional autonomy. In this regard it marked a hopeful departure in Mexican political history.

Carleton Beals, in an interesting review of the Obregon régime in the *Survey Graphic*,⁶ says: "The brightest feature is found in the widening of the bases of social control, the respect for popular organization, the sincere understanding of the forces that are emerging from indigenous Mexico, which

⁵ *The Social Revolution in Mexico* (1923), Chap. VII, p. 86.

⁶ See special edition on *Mexico*, issue of May, 1924.

must be given, and are being given, free scope; which have been organized and permitted to contribute to the making of the nation of which they are the most basic part. Not so much in constructive achievements, although they are impressive, but in the social principles that have nourished the roots of the Obregon administrative policy is to be found the great contribution to Mexican progress. . . .

"Mexico has blundered through ten years of revolution, counter-revolution, and anarchy. But it is not too much to say that no Government in Mexico can hope to survive for any great length of time which does not respect popular organization, which does not respect the *patria chica* or regional and racial autonomy, which does not carry out agrarian reform to its logical conclusions. These have proved the three great handles to the pacification of Mexico; these provide the explanation of the steady success of the Obregon régime."

The Land Policy of Calles

The peaceful change in administration from Obregon to Calles is an indication that Mexico is slowly solving some of her most difficult problems. Calles is wisely following the political program of his predecessor. This is particularly true with reference to his agrarian policies. He is attempting to improve rural credit by the establishment of a number of agricultural banks to assist the small farmers. Large landowners and other financial interests have

been encouraged to buy some of the stock in these rural banks. The government has promised to extend adequate facilities and guarantees to the investors.

One of the most advanced steps taken by the Calles administration has been the encouragement of agricultural education. Press reports state that six agricultural institutions are to be established in several states where the government has acquired large tracts of land. Practical instruction in agriculture is to be offered farmers, relating to the particular problems of agriculture in the sections where they are to be located. If this program succeeds it will mark substantial progress in the educational history of Mexico.

But the agrarian policy of the Calles Government has resulted in difficulties due to the excessive ownership of land by foreigners. These difficulties had their origin during the Diaz régime. Diaz encouraged America and other outside interests to acquire ownership of land and mineral rights for the purpose of bringing new capital into the country. But "the process of concentration of the land," says Lewis Spence, "which carried with it the dispossessing of small landholders, through their title secured by the Constitution of 1857, exerted a very potent influence in the downfall of Diaz."⁷

The seriousness of this problem in Mexico today is clearly stated by J. Fred Rippey, of the University

⁷ *Mexico of the Mexicans*, Chap. 13, p. 205.

of Chicago, an authority on Mexican history, as follows: "Mexico's stability and prosperity in the future may depend largely upon the creation of numerous small, independent landowners. She possesses arable land in limited quantity, about one-fourth of her area being of this description. Americans and other foreigners own millions of acres of this land. If we insist upon and secure the right of permanently retaining our holdings, other foreigners will obtain the same right under the most-favored-nation principle. Mexican land-holders will then be left in an inferior position. This will lead either to revolution or to the defeat of the whole agrarian program of the Mexican Government, and possibly to both."⁸ This is a clear statement of Mexico's present situation.

But opponents claim that the new "Ownership and Property" and "Petroleum" laws of Mexico amount to confiscation of private property of foreign owners of Mexican lands. This contention has been the basis of an exchange of several diplomatic communications between the governments of the United States and Mexico. That Secretary of State Kellogg holds to the theory of confiscation is indicated from the following statement contained in a communication to the Mexican Government in June, 1925: "A great deal of property of Americans has been taken under or in violation of the agrarian laws for which no compensation has been made and other properties

⁸ See *Current History*, Vol. 24, No. 3, for June, 1926.

practically ruined and, in one instance, taken by the Mexican Government on account of unreasonable demands of labor." This charge brought forth from President Calles a spirited reply. He declared that Mexico had promulgated her agrarian laws in the exercise of her sovereignty. He referred also to the Claims Conventions as proof of Mexico's willingness to "comply with her international obligations and to protect the life and interest of foreigners."

An analysis of the land laws of Mexico by Charles A. Frueauff rather effectively refutes the confiscation theory. In *Current History* for June, 1926, in answer to critics of Mexico's land policy, this able interpreter of Mexican laws outlines the protection given to alien owners. "A careful analysis of the entire situation," says Frueauff, "would seem to conclusively prove that instead of the Mexican laws referred to working out hardship and confiscation, they are in reality the greatest and most important forward step which has been taken by any nation in the direction of the wise development and control of its natural resources. Many of our own States have taken some steps in directing and controlling production, such as the control of gas wells and the production therefrom—the prohibition of the use of natural gas for the manufacture of lampblack—laws against drilling restricted zones along railroad rights of way and other places—and we know the recent important meetings of our own governmental heads in attempting to work out a feasible plan for the control

of the production of oil itself. If any forward step is to be made, it will of necessity either have to curb development or increase development, either of which will certainly in some way change the complete dominion which the previous owner had over the property involved, but such change, brought about by the necessity and power of direction, is a necessary incident to Government and one of which no one should complain. In the case of the two particular laws involved in Mexico, it will readily be seen that every attempt has been made to work out the situation in a manner to produce as little hardship as possible consistent with the control of development made necessary for the protection of the national resources."

It is not difficult to understand the real purpose of Mexico's land policy. It is quite obvious that the Calles Government is undertaking to correct the errors of the past by restoring the nation's resources in land to the people of the country. The seriousness of the problem becomes apparent when it is recalled that citizens of the United States own property in Mexico to the extent of a billion and a half dollars. This includes vast areas of tillable and mineral land. It will require great wisdom to administer the agrarian laws of Mexico in fairness to alien owners and at the same time in conformity with the laudable purposes for which these laws were promulgated. But upon the success of the undertaking will depend international good will,

especially the good will of the United States; the stability, the independence of the government, and the future prosperity and happiness of the people of Mexico.

There is no question that Mexico has made progress in the solution of her agrarian problems. The amount of discontent on the part of the masses of the people has decreased, and more stable conditions have been brought about. There is increasing optimism on the part of patriotic Mexican citizens with reference to the future of the country. Ramon P. De Negri has given expression to this optimism in the following words: "Social justice is a slow, painful process, but the pain in the long run is not all one-sided. A new Mexico is being built; and the redistribution of land is the foundation stone of this new Mexico. We are laying it with bleeding hands and in great stress, but we are laying it, and digging it so deep into the hearts of the nation that this work of the revelation will endure forever." A spirit of patience, tolerance and good will on the part of other governments can help greatly in the aspirations of the Mexican people to reap the rewards of their previous privations and sacrifices.

CHAPTER V

THE GENESIS OF AGRARIANISM IN THE UNITED STATES

The history of agrarianism in western Europe and the United States has followed parallel lines. We shall see also that agrarian tendencies in the United States in recent times are analogous to those of western Europe since the World War. In western Europe and the United States the seed of agrarianism was sown deep in the soil of land tenure policies. The influences of the Industrial Revolution on the agricultural population and the economic problems that this transformation produced had much the same effect in America in the nineteenth century as similar influences had on English life in the latter half of the eighteenth century. It is necessary to review briefly the history of some early colonial policies and trace their effects for the purpose of giving adequate perspective to the agrarian movements of the nineteenth century and the early part of the present century.

Colonial Policy of Land Settlement

The genesis of agrarian tendencies in the United States may be traced to the methods adopted in the

establishment of new colonies. England, France, and Spain were the countries that assumed leadership in the settlement of the western world. The colonial policy adopted by each of these countries was based essentially upon the predominating tendencies in the home country. While the motives of settlement differed, no permanent results were obtained by any colonial enterprise until agricultural endeavor became the predominant motive of those who sought political domination, religious freedom, or wealth in the western world. Agriculture was the only safe basis for a permanent colonial policy, and the gradual supremacy of England over her rivals was due largely to the recognition of this fact and the selection of settlers who were adapted to agricultural endeavor. The French settlers, with rare exceptions, were either unprogressive peasants or daring and reckless adventurers. The Spanish colonies failed for much the same reason. For the purposes of this discussion it is sufficient to trace certain tendencies in English colonial policies that have a bearing upon agrarian tendencies in this country.

The task of establishing and maintaining colonies in the New World was not an easy one. "The great distance from the home country," says Lippincott, "the time and expense of travel, and the cost of transporting animals and provisions, were only some of the initial difficulties. Add to this the need of a year or more to fit the soil for the first crop, the un-

certainities of cultivation in a new country, and the further facts that often forests had to be cleared and defenses maintained against the Indians, and the task seemed almost insuperable. Capital was required, therefore, to make the start which had to be provided in the form of ships, tools, and provisions. Whether the object of the colonizing venture was mining, fur trading, or some other enterprise, no person could hope to succeed without the indispensable capital. Usually no individual of means cared to venture alone, owing to the many risks connected with the enterprise. He preferred to associate others with him and thus divide the risks. Thus the founding of settlements and the exploitation of the resources of the new country came to be a business enterprise, indeed, it was one of the greatest enterprises of the day.”¹ It is estimated that to establish a family in one of the colonies cost some thousands of dollars, and in the seventeenth century this was a very large sum.

Fortunately the period of American colonial development came at a time of great business prosperity in England. Gold had become plentiful, as a result of Spanish conquests. Spanish gold gradually filtered into the channels of trade and resulted in a rise in prices. The profits of the trading and industrial classes were greatly increased. Capital became abundant and available for colonial enterprise. Im-

¹ *Economic Development of the United States* (1921), Chap. III, p. 42.

portant improvements were made in methods of credit, which stimulated foreign trade. Had it not been for these important changes, English colonial development would have been retarded greatly.

The method adopted to establish colonies was usually that of securing a charter by men who were willing to risk their fortunes in the hazardous enterprise of foreign development. These charters conveyed title to certain territory and bestowed authority over future settlers. English colonies, with a few accidental exceptions, were at first proprietary. The proprietor was sometimes an individual and sometimes an English corporation or a joint stock company. In either case the proprietor acquired ownership of the land and certain rights of control over the settler.

The proprietorship system proved to be the most satisfactory method of land settlement. One of the most successful examples of this system was that of Pennsylvania, which was granted to William Penn in 1680. Other examples were New Jersey, which was granted to Berkeley and Carteret in 1664, and Maryland, granted to the first Lord Baltimore in 1632. Exactly one hundred years later the proprietors of Georgia received their grant from the King. Before 1763 settlements were well established along the Atlantic seaboard. Gradually these settlers began to move inland, following the river courses as far as the Allegheny range. Before 1789 English colonists had begun conquests west of the

Allegheny Mountains. By the proclamation of 1767 English colonists were forbidden to form settlements beyond the sources of streams flowing into the Atlantic Ocean. Fear of the effects of encroachments upon the Indians and the belief that if the settlers became too far removed from English contacts they might seek independence, were the principal causes of this proclamation. Subsequent history reveals that the latter fear was not unfounded. The Declaration of American Independence left the settlers free to move westward.

It is significant that the English charter gave the future settlers no share in governing themselves; but they were promised "the liberties, franchises and immunities" accorded to Englishmen. This clause is found in the first colonial charter, which was granted by Queen Elizabeth in 1578 to Sir Humphrey Gilbert. These words were repeated in nearly all subsequent charters. But they were not interpreted to mean that the settlers were privileged to vote or hold office, for not all Englishmen enjoyed these privileges at home during this period. The clause referred to the right of trial by jury, the privilege of habeas corpus and free speech, which were the heritage of the Magna Charta and the English Bill of Rights. But the charter rights were destined to result in conflicts between proprietors and settlers, and finally to bring about important changes in agrarian practices and political policies. "This recognition of *political* rights for the settlers,"

says Willis Mason West, "in a royal charter, marks an onward step in the history of liberty. The creation of the Virginia Assembly, and the devotion of the Virginians to it, had borne fruit. Seemingly, between 1620 and 1630, it became a settled conviction for all Englishmen, at last even for the court circle, that colonization in America was possible only upon the basis of a large measure of self-government." ²

Two methods of land settlement were actually evolved by the English proprietors. The earlier method involved the bestowal of large land grants upon favored individuals who as proprietors provided ships, tools and equipment, and provisions for the enterprises. Immigrants were relieved of financial burden but were expected to render some service or provide some income to the proprietors as compensation for the cost of transportation and as rental for the land they cultivated. The other method involved the payment of the transportation charges of prospective settlers by planters. As compensation for this outlay, planters accepted a grant of land and the labor of the new settlers for a number of years. Laborers of this type were called "indentured servants." They constituted the agricultural labor supply of the southern colonies until replaced by negro slaves. Under the title of "redemptioners," they formed the principal labor supply of Pennsylvania. This class of laborers in Maryland were known as "freewillers." The term of indenture was

² *American History and Government* (1913), Chap. I, p. 45.

usually a matter of contract and varied with the age of the indentured and other conditions. As a rule, persons under nineteen years of age were required to serve until the age of twenty-four; for persons over nineteen years of age the usual period was five years. The actual benefits and effects of the system of indenture service is described by James C. Balleigh, with special reference to Virginia, as follows: "Designed not only as a labor supply, but as an immigration agency, it had generally the effect of industrial apprenticeship, greatly strengthened the position of the capitalist employer, and developed a class of industrially efficient freemen. It supplied almost the entire force of skilled labor in the Colonies for more than half a century and continued to be a source of high-grade labor long into the eighteenth century. It provided for the growth of a strong yeoman class and prevented the complete absorption of land into great estates; and it furnished a great number of independent settlers and citizens, particularly for the back country; it had a marked effect on the political as well as the economic development of the country." ³

Too much emphasis cannot be laid on the last two sentences in this quotation. Indentured service continued until after the Revolutionary War, but finally the system gave way to the wages system in industry and various forms of tenantry on the great estates.

³ *White Servitude in the Colony of Virginia*, Johns Hopkins University Studies in History and Political Science, Vol. XIII.

Land Tenure Policies

The influence of feudal tenure is clearly discernible in the early land policies of the English colonies. It was to be expected that the feudal system in England would exert an influence on the land tenure policies in the New World.

The accepted theory which prevailed in England was that the title to the land in America was vested in the Crown. Indian titles to the land occupied by the several tribes were never recognized. The title passed directly from the King or Queen to proprietors who disposed of it as they saw fit, subject only to charter provisions. The process of disposing of land in the Crown colonies was through agents to actual settlers under the laws or decrees of the English government.

It is significant that considerable variety developed in the land systems of the Colonies. These differences were very marked in the case of the northern and southern colonies. The plantation system became the prevailing type in the southern colonies. The vast estates came to be cultivated by indentured servants and slaves. In the North the typical farms were small. They were cultivated by the farmer, assisted by the members of his family. Sometimes servants or hired laborers were employed to assist in the farm work. The difference in the two systems was essentially one of soil and climate, but in Virginia the indifferent administration of land laws

contributed to the acquisition by certain individuals of large landed estates. The plantation system was distinctly feudal. The proprietors exacted quit-rents or payment in services for the use of land. This was paid for a time on both cultivated and uncultivated land. But this plan finally became an insufferable burden and quit-rents disappeared after the Revolution.

Even the feudal policies varied in different colonies. The early policy of the Baltimores was to dispose of their lands in large tracts. The result was a manorial system in which grantees enjoyed great powers and privileges. In time, however, for economic reasons these large holdings were divided and the land was occupied by small owners. In Pennsylvania the land was first sold in large tracts, but later small holdings came to prevail. The largest estates in America were along the Hudson. Some of these ranged from fifty to a hundred thousand acres. These grants were made by the Dutch West India Company to proprietors called "Patroons." After the conquest of New Amsterdam by the English, these grants were confirmed.

Feudal tenure was never successful in New England. As a rule, grants of land were made to groups instead of to proprietors. By mutual agreement the land was subsequently divided by the members of the group. The only feudal aspect of the land tenure system in New England resulted from the custom of the group retaining a portion of the land

in common, in which all members enjoyed pasturage and timber rights. The effect of the New England system was to bestow fee simple title on small farmers, who cultivated the land they owned with the assistance of members of their families.

One result of the Revolution was the transfer of the rights in the land held by the Crown to the American people. The unclaimed portions within the several states came to be subject to State authority. In addition to the public domain within the territory of the thirteen original colonies, there was a vast domain extending west of the Alleghenies to the Mississippi River. Virginia, North Carolina, Georgia, Connecticut, and Massachusetts were the principal claimants to this area. This land was finally (1784-1808) ceded to the United States and was made subject to disposal by the federal government.

The land policies of the United States have had far-reaching political, economic, and social consequences. Many aspects of agrarianism are directly traceable to the effects of these policies upon agricultural welfare.

Agrarian Protests in Colonial Times

Colonization policies in the New World brought agrarian conflicts from time to time in almost every province. Charter rights were frequently the basis of the conflicts between the proprietors or royal governors and the colonists. The spirit of self-

government everywhere asserted itself in the progress of colonial development. But underlying the political struggles there was often much discontent because of agrarian inequalities.

The conflict of Governor Dale with the settlers in Virginia was the earliest incident of this kind. The Virginia colonists were suffering great hardships when he came from England to assume his administrative duties in 1611. When he arrived late in the season he found that no crops had been planted. The first settlers of Virginia had little intention of engaging in agriculture. Very few of them seem to have known much about farming. The charter of the Virginia settlement contained an unfortunate provision calling for common storage and use of supplies and community of labor. This communistic tendency did not encourage farming, nor offer much inducement for thrift. Captain Newport assigned about one third of the settlers, approximating forty men, to cultivate the soil, but the result was disappointing.

When Governor Dale arrived he realized the situation and immediately set the colonists to digging sassafras roots and cedar for the English markets. He distributed a few three-acre allotments of land to private holders and required that they be cultivated. These farmers were expected to give annually to the London Company seven and a half barrels of corn and one month's labor in payment for the land. This was regarded as exorbitant rent.

All other laborers were given one month of the year to work for themselves.

Many of the colonists were adventurers who were not inclined to do any kind of hard work. As they were unaccustomed to labor with their hands, they objected to clearing the land and cultivating the fields. They resented the autocratic and vigorous policies of Governor Dale. Some resorted to intrigue; others fled to the forests to escape the labor demands made upon them. The situation was critical, and Dale resorted to harsh methods. Some were punished by hanging, and one was tied to a tree to starve. These methods, while harsh, brought results, and when he left the colony in 1616 the settlers had become reconciled to devoting their energies to the agricultural resources of the country. They had discovered the possibilities of agriculture in the New World. They had found out that tobacco could be raised profitably, and entered upon its cultivation with energy.

The conflict between landlords and peasants in the short-lived manorial system of Lord Baltimore in Maryland reminds us of similar conflicts on some of the medieval manors of Europe in the Middle Ages. This was the nearest approach to the feudal system of Europe that ever existed within the bounds of our country. Maryland was the only colony in which the privilege of granting titles of nobility was authorized. Under the charter provisions of this colony the lord of the manor was authorized to hold

manorial courts to which the tenant might come and vote under certain conditions. The tenants on these manors were English laborers who in most instances aspired to be landowners. It was not long before they felt the impulse to larger freedom and sought a fair chance to own the land they cultivated. They protested against the manorial system. Local popular meetings were held and soon they took complete control of the landlords' courts. It was only a short time until the large estates were divided. The tenant acquired ownership of the land, and the manorial system in Maryland disappeared.

What is known as the "Revolution of 1634" in the Massachusetts Bay Colony was essentially agrarian in nature. "The impulse to this great movement," says West, "was economic and social. It began as a special protest against 'special privileges.' The people felt that the magistrates were legislating in the interest of their own class. A law authorizing the killing of swine found in grain fields was especially resented, and the attempts to fix wages may have contributed to a like feeling." ⁴ A concerted effort on the part of the freemen to stop this class legislation was made. In April, 1634, a call was issued for all freemen to attend the General Court the following month. Previous to the meeting of the Court, two men from each of the eight towns met in Boston and decided upon definite action. It was agreed to demand of Winthrop that the charter

⁴ *American History and Government*, Chap. II, p. 82.

be produced for the purpose of determining the rights of freemen. When the Court met on May 14 "three deputies appeared from each of the eight towns. This was revolutionary. The twenty-four deputies outnumbered the Assistants and made the Court really a representative body. Other freemen were present also to vote, but not to discuss. Neither charter nor laws knew anything of representatives. But the freemen saw very properly that the whole body could not engage in lawmaking on equal terms with the trained and compact body of Assistants, and so they fell back upon the English device of representation."⁵ The freemen gained important economic and political concessions as a result of these protests.

Bacon's Rebellion, which occurred during the summer and early autumn of 1676, had its origin in agrarian discontent. The forty thousand inhabitants of the Virginia colony at this time consisted of some two thousand negro slaves and six thousand indentured servants. There were also several thousand landless laborers who remained on the big plantations. The remainder of the population consisted of a few hundred large planters and a number of small farmers. The farm population was discontented because they were overtaxed and discriminated against in transportation privileges. There was an insufficient number of vessels to transport all of the tobacco crop to England. Preference in

⁵ *Ibid.*, Chap. II, pp. 82 and 83.

transportation privileges was given to the large planters. It often happened that the small farmer failed to obtain shipping facilities for any of his crop and it was, therefore, left on his hands without a market. When he did get to ship all or a part of his crop, it was often the case that his profits were absorbed in exorbitant freight charges.

At the time this injustice was being most keenly felt, an Indian outbreak occurred which the inefficient Governor Berkeley made no effort to stop. Finally the savages laid waste an outlying farm owned by Nathaniel Bacon, an energetic young planter who had only recently arrived in the colony. Bacon felt greatly outraged, both because of the plunder of his farm and the indifference of the colonial authorities. He immediately assumed leadership of a body of volunteer troops and pursued the Indians. In two brief campaigns he completely conquered the Indian marauders. Berkeley resented the unauthorized military activities of Bacon and declared him and his troops to be rebels. This precipitated a civil war.

The social significance of the struggle soon became apparent. Most of the small planters and farm laborers joined the forces of Bacon, while the large landlords aligned themselves with Berkeley's cause. Bacon besieged Jamestown and forced the Governor to flee, but the death of Bacon left the belligerent forces without a leader, and the rebellion ended. This uprising was not without its beneficial results.

In 1679 Lord Culpepper succeeded Berkeley as Governor. By this time the royal commissioners recognized the necessity of making overtures to the discontented farmers. A call was made for a free expression of grievances. This resulted in a "charter" of privileges which received the approval of the King and produced a number of reforms.

It was about this time that tobacco planters resorted to the practice of destroying the growing crops to relieve over-production which had caused low prices.

Thus the spirit of protest against injustice and the conflict between class interests produced social discontent and political commotion in the Colony of Virginia. It required a long time to establish social order in the colonies, where charter rights produced great inequalities and where indifferent or arbitrary administration of land laws made possible a system of land tenure which caused great discontent among the farm population.

The quit-rent controversy in North Carolina represented another aspect of agricultural protest that developed during the colonial period. The assessment of quit-rents took both the form of a tax, and of rent for the use of the land. When it was assessed by proprietary interests, it was classified as a rent, but when fixed by the British government it took the nature of a tax. Great opposition developed to the payment of quit-rents. There was much more objection to paying this rent when assessed by pro-

prietary interests than when collected as a tax by the British government. "The American farmer," says Lyman Carrier, "could see no good reason for paying a continual tax to a non-resident overlord who in numerous instances had contributed nothing toward making the settlement and had been granted land as a personal favor by the Crown."⁶

The attitude of the farmers toward the payment of quit-rents varied greatly in the different colonies. One of the reasons for many of the settlers' coming to America was to escape the abuses of this system, and it was natural for them to oppose violently the payment of this assessment. On the other hand, others were far more tolerant toward the system. Proprietors like William Penn and Lord Baltimore or Lord Fairfax, who came to America to live, seem to have had very little trouble collecting quit-rents, but their non-resident heirs were not so successful in this undertaking. In the four New England Colonies of Plymouth, Massachusetts Bay, Connecticut, and Rhode Island no quit-rents ever were assessed.

North Carolina was one of the colonies in which the protest against the payment of this rent was most serious. The five royal governors who ruled in this colony were in almost constant conflict with the settlers over this problem. Bassett says: "The most continual quarrel was in regard to the payment

⁶ *Beginnings of Agriculture in America* (1923), Chap. XXV, p. 298.

of quit-rents. These were a perpetual obligation imposed on land when first granted and to be paid by whomever owned the land. They do not mean that the grantee did not have fee-simple title, as has sometimes been assumed, but were in the nature of a permanent land tax. To pay them was irksome to the settlers, who found many ways of evasion. One difficulty was that they were payable in tobacco or other produce, and that the expense of collecting from small farmers ate up the value of the proceeds. To obviate this the governor ordered that quit-rents be paid at certain specified places. The inhabitants protested, and a law passed the assembly to authorize payment at the home of the landowner, where most other rents were paid. The governor vetoed the bill, and a deadlock resulted. For many years the revenue from quit-rents was very slender.”⁷

The quit-rent controversy had two far-reaching consequences in American history. In the first place, it brought the farm population into sympathy with the doctrine of “no taxation without representation,” which supplied one of the immediate causes of the Revolution. In the second place, it directed attention to the inequalities in the system of land rentals, which had an important influence in later agrarian practices.

The planters in the southern colonies gained in power and influence with the increasing number of slaves and the rapid development of agricultural

⁷ *A Short History of the United States* (1914), Chap. VI, p. 107.

enterprise. It was inevitable that conflicts would occur between proprietors and planters. The proprietors were often domineering and exacting with reference to financial returns for the land held by them. The condition in South Carolina in the early part of the eighteenth century illustrates this situation. The planters of South Carolina grew prosperous through the cultivation of rice and indigo. The governmental policies and land-owning privileges instituted by the proprietors in this colony had much to do with determining the agricultural development of the colony. The charter of South Carolina was one of the most autocratic of colonial charters. The proprietors made few concessions to the settlers. They reserved to themselves the final right to pass on, or to put into effect, all legislation for the government of the colony.

The system of land allotment by the proprietors resulted in large plantations operated by numerous slaves. Out of a population of 9,580 in South Carolina in 1708, only about half of the people were free. One hundred and twenty of them were white servants, and 5,500 were negro and Indian slaves. The feeling was very general that the proprietors were denying the planters their civil rights through the manipulation of elections. It was claimed that even Indians and non-resident sailors were brought in and allowed to vote in order to defeat the wishes of the electorate. All elections were held in Charleston, where all freemen were expected to go in order to vote, but it was inconvenient for many of them

to travel to the town from the interior for this purpose. The proprietors were unpopular in the assembly and their influence with the members of this body was, therefore, very limited. The planters realized that the time was opportune for reform. They demanded that future elections be held in the parishes at places accessible to the people. At the same time the assembly decided to appoint its own collectors of taxes from the Indian trades.

These were radical changes in policy. The proprietors promptly vetoed both measures. The people assumed a rebellious attitude, but before concerted action was taken South Carolina was threatened by invasion from the Spanish in Florida. The militia were called out by the Governor to defend the colony, but these soldiers promptly revolted against proprietary rule. As a means of preventing violence, it was decided to hold an election at which delegates to a convention were to be appointed. The convention repudiated the proprietors and resulted in a petition to the King that transformed the colony into a royal province. While the proprietors retained their rights to the land until 1729, their power was greatly restricted by the united influence of the plantation owners.

The Attitude of the Colonial Farmers toward the Revolution

That the mass of American farmers gave whole-hearted support to the Revolution, is a matter of authenticated history. The farmers in the colonies

were more directly affected by the immediate causes of the War than any other group. "That the southern colonies joined with those of the North in the Revolutionary War," says Carrier, "may be traced directly to the heavy taxes imposed on the agricultural products shipped to England and the terrific loss occasioned by the cumbersome commercial system, which prevented the colonists from vending their own products more directly to the consumers. With New England equipped to conduct the carrying trade to the markets where there was the greatest demand for the products without duties other than freight being imposed enroute, it was clear to the southern planter that his interests lay in independence." ⁸

The farm population had gradually increased its influence through the years in the colonial assemblies, and these bodies became the centers of resistance to the King. It should be observed, however, that the small farmers and great planters for a time represented an intermediate position between the Tories and the Whigs. For many years the great mass of agricultural producers were antagonistic to the Tories because of the privileges they enjoyed and the belief that their allegiance to the Crown was based on selfish interests. On the other hand, they were not willing to align themselves with the Whigs because of their militant attitude and the irresponsibility of some of the leaders. But as time went on

⁸ *Beginnings of Agriculture in America*, Chap. XXV, p. 300.

they came to be more and more identified with Whig policies, due to changes in the political situation in England.

There is no doubt that the appointment of Grenville as prime minister by George III had much to do with cementing the interests of the American colonists. The policies of Grenville involved a strict enforcement of the navigation laws, the affirmation by Parliament of the principles of the Stamp Act, and the maintenance of a small army in the colonies. The first Continental Congress, held in 1774, adopted an agreement to import no English products after December 1, 1774, and to export no products to that country after September 10, 1775. This action involved great sacrifices, especially for the farmers, but by this time the agricultural population had become thoroughly committed to the Whig principles.

The history of the causes leading up to the Declaration of American Independence, and the Revolution that grew out of it, is essentially that of an agrarian protest against the inequalities developing from charter provisions and economic injustices inflicted upon the farm population in the colonies by royal decrees or parliamentary enactments.

CHAPTER VI

THE INFLUENCE OF LAND POLICIES ON AGRARIANISM

Agrarian protests almost completely disappeared after the Revolutionary War. No concerted action on the part of any group of farmers occurred between the establishment of our national government in 1789 and the beginning of the Civil War in 1861. Some of our governmental policies that were promulgated during this period had important influence on agrarian tendencies during the latter half of the nineteenth century. The extension of the public domain, and federal laws relating to it, had the effect of retarding organized effort on the part of the farm population. On the other hand, the tariff had just the opposite effect. The farmers of the country, especially those living in the Southern States, became increasingly hostile to the changing tariff schedules of the national government. While the land and tariff policies of the country tended to counteract each other through the first half of the nineteenth century, the time came when both of these profoundly influenced the attitude of the American farmer.

The Public Domain and Land Settlement Policies

By the Treaty of Paris (1783), by which England acknowledged the independence of the American Colonies, the United States acquired sovereignty over an immense domain of 827,844 square miles. A part of this area comprised the land between the Alleghenies and the Mississippi River. This territory was first claimed by seven of the original states. Their claims were based upon colonial grants, but the boundaries were not well defined and dissensions arose over conflicting claims. For a time it seemed that this conflict of interests on the part of the states might prevent the establishment of a national government.¹ But the states finally agreed to surrender their claims to the disputed territory. This ended the controversy.

By 1802 the United States had come into possession of a vast public domain comprising 333,108 square miles. Since that time the area of the country has been greatly increased by annexation or purchase. The total landed possessions of the United States today consist of 3,726,500 square miles, which is about one fourth of the land surface of the earth.

During the period that the United States was acquiring this vast public domain, the government was reducing it by sale and gift. The public land policies have had important consequences on the

¹See Albert Bushnell Hart's *Formation of the Union* (1750-1829), Chap. IV, p. 94.

economic, political, and social life of the people. The farm population, by virtue of its dependence upon the soil, has been most vitally affected by these policies. The United States government has pursued two courses in the disposal of public lands. Previous to 1820 the land was sold to provide revenue to maintain the government and to pay off the public debt. Since 1820 the western lands have been disposed of to settlers and others for the purpose of developing the country. While the latter policy has at times yielded an important source of revenue, this aspect has been incidental. The fundamental consideration has been to develop a rural population composed of thrifty, enterprising farmers who would contribute to the national wealth and welfare of the entire country.

The early policy of rapid disposal of public lands for the purpose of providing revenue caused the government to offer land for sale in large quantities, six hundred acres being the minimum amount one person could buy. The effect of this plan was to dispose of large areas and to concentrate land possession in the hands of a few speculators or proprietors. The Act of 1800 permitted the sale of land in minimum tracts of a hundred and sixty acres. This law also liberalized the terms of sale. The early land policies resulted in the sale of about eighteen million acres. Much of this land was sold to speculators who assumed obligations beyond their ability to pay.

The country experienced hard times from 1808 to 1815, but land speculation again was practiced between 1815 and 1819, due to the rise in the price of cotton. However, the fall in the price of cotton in 1820 resulted in another depression. The government was compelled to pass several relief acts, including one for relinquishing the title of much land to the United States. These policies did not prove very helpful. The settlers of the West became dissatisfied because of the high prices of the land, the use of the funds for revenue purposes, and the prevailing credit system. Many people in the old states of the East objected to any reduction in public land prices for fear that this inducement would cause the farm population of the East to leave their farms and move to the West, thereby affecting land values and causing a rise in wages in industrial enterprises.

In the meantime, the people of the West were becoming critical of the early land policy of the government. The western representatives became increasingly hostile to the plan of making the public domain a source of profit. Thomas H. Benton, who was elected to Congress from Missouri in 1821, strongly advocated the granting of free lands to settlers. "So long as tidewater congressmen prevailed in Washington," says Frederic L. Paxson, "there was no hope of victory for the notion that the United States ought to give free farms to the frontiersmen. The eastern desire for revenue was

mingled with the genuine fear of the growth of the western States. . . .

"The generation that established itself between 1800 and 1820 was grounded in the belief that a government price for land was one of the numerous financial extortions from which it had to suffer. It was generally convinced that the newer portions of the country were subject to financial exploitations by the older, and was more bitterly distressed by the financial bonds that bound it to fellow citizens than by those that were held by the lighter hand of government." ²

It was inevitable that a change in conditions should be brought about as the political influence of the West increased. The effect of the new system as modified from time to time by experience has been one of the most momentous in the annals of American history. The full effects of the later policy of land settlement have not yet been realized fully. But each succeeding year of our history gives new significance to the progressive land policies of our government.

The early land policies of the government gradually gave way to what has proved to be a permanent plan of disposing of public lands. The system of land grants in small tracts for actual settlement and cultivation has had much to commend it. The details of this method have been modified from time to

² *History of the American Frontier* (1924), Chap. XXV, pp. 224 and 225.

time in response to changing conditions and public sentiment. But the underlying motive has been adhered to, and the nation has prospered by it.

Speculation in western land ran riot in the decade from 1830 to 1840. This was traceable largely to the inflated condition of the currency, the loose banking practices and the rise in prices of farm products. Land in the West had been increasing in price for some years previous to 1830, but in 1833 the sales reached the enormous figures of 3,856,278 acres, and in 1836 the number of acres sold exceeded twenty million.

The first general preëmption act was passed in 1830, and this was superseded in 1841 by the permanent act. "The essential conditions of preëmption are actual entry upon, residence in a dwelling, and improvement and cultivation of the tracts of land." This policy of our government was gradually developed out of experimentation with our public land policies. It had the effect of gradually transferring land speculation into legitimate practices of land utilization.

The passage of the Homestead Act in 1862 marked another milestone in the land policy of the United States. It was the logical outcome of the preemption system and represented the final policy of the government in disposing of the public domain. The essential aim of this act was the grant of a free homestead to actual settlers. The total acreage for each settler was not to exceed 160 acres. Five years'

actual residence was required to give validity of title to the "homesteader."

In discussing the merits of the Homestead Act, the Public Land Commission said: "It protects the government, it fills the States with homes, it builds up communities and lessens the chances of social and civil disorder by giving ownership of the soil, in small tracts, to the occupants thereof. It was copied from no other nation's system. It was originally and distinctly American, and remains a monument to its originators."

The Homestead Act proved very popular. Over sixty-five million acres of the public domain in the middle West were acquired from homesteads during the twenty-year period from 1860-1880. "The population of the grain States (i.e., the North Central division) increased during the decade 1860-70 by more than 42 per cent., and in the next decade by nearly 34 per cent.; this represented an addition to the population in twenty years of over 8,000,000 inhabitants. The opening of new land to settlement stimulated immigration to such an extent that 2,500,000 persons came to the United States during the decade 1860-70, to be followed in the next ten years by 3,000,000 more, a large proportion of whom settled in the middle West. The greatest growth took place in the newer States of the Northwest, although even in the older States, like Illinois, Iowa, and Missouri, the increase was more rapid than the general rate. In the single decade 1870-1880, over

190,080,000 acres, or a territory equal in extent to Great Britain and France combined, were added to the cultivated area of the United States. Again, in the twenty-year period, 1880-1900, there were added to the farm area over 305,000,000 acres. Such a development was made possible by the extension of the railroad system in the grain region, which opened up new areas for cultivation and made it possible to market the product speedily and economically.”³

The farmer and ranchman who acquired land under the several land settlement acts became a pioneer. These farm pioneers were widely separated. They were, or became, essentially individualistic. In the middle West, especially, the hardships connected with pioneering absorbed their energies. The farmer had no time to think of co-operative effort and, in fact, conditions did not encourage conscious solidarity. The problems of the pioneer farmer were not essentially economic. The government had been generous and the simplicity of living conditions did not create a feeling of economic injustice. It is, therefore, not surprising that agrarian protests did not find expression in the undeveloped regions of the middle West previous to the Civil War.

Land Grants to Railroads

The pioneer farmers of the West were confronted with many handicaps. Not the least of these was in-

³ Bogart's *Economic History of American Agriculture*, Chap. VII, p. 112.

adequate transportation facilities. Previous to the Civil War there were no large systems of railroads. The western farmer was in great need of better transportation facilities for marketing his products. Markets were too remote, and the time and cost of delivering his products to market and transporting his supplies to his farm were too great. It was inevitable and logical that a demand would be made upon the federal government to utilize land grants to encourage the building of railroads through the rapidly developing territorial section of the central and far West.

The federal policy of making land grants for internal improvement was slowly evolved through the first half of the nineteenth century. The question of the constitutionality of governmental subsidies for internal improvements had first to be considered. Then the nature of the internal improvements to which federal aid would apply had to be determined. The policy was first applied to the building of highways. It was then extended to canals and finally to railroads and river improvement. In 1825 the House of Representatives directed its committee on roads and canals to study the practicability of railroads and to report upon the relative cost of construction of canals and railroads. The committee made a report favorable to railroad construction. By 1830 the utility of railroads had been demonstrated and construction had begun. From 1830 to 1841 a considerable amount of time of each session of Congress

was consumed in discussing the policy of land grants to railroads. A wide difference of opinion developed in Congress with reference to these grants. In 1838 a bill was passed by the Senate making a land grant to Indiana for building a railroad, but the House of Representatives defeated the measure. From 1845 to 1850 the Senate authorized several land grants for this purpose, but the House of Representatives refused to pass any of these acts. The hostile attitude of the representatives in Congress is probably explained by the controlling power of eastern members who were alarmed over the rapid development of the Middle West. The mutual advantage of better transportation between the rural West and the rapidly developing industrial East was not fully understood at this time.

But in 1850 a land grant bill in favor of aiding railroad construction was proposed, received favorable consideration by both houses of Congress, and became a law. This act provided for a land grant to Illinois, Alabama, and Mississippi. The geographical area affected would indicate that the benefits were sufficiently distributed throughout the country to enlist the support of a majority of both houses of Congress.

This act marks the beginning of land grants for railroad construction. "An analysis of the final vote on this measure in the Senate," says Orfield, "shows that the line of cleavage was rather between the states that contained no public land and the public

land states than a division on party lines. This is undoubtedly accounted for by the fact that the latter were either the beneficiaries of the act or expected to receive similar grants in the future. Of twenty-six votes for the measure, eighteen were cast by senators from public land states, while of fourteen votes against the measure, only two came from this group. One of these was cast by Chase, of Ohio, the only Free-soiler who voted, and the other by Yule, of Florida, who for years had opposed land grants for internal improvements. On party lines the vote stood as follows: For the measure, eighteen Democrats and eight Whigs; against the measure, six Democrats, seven Whigs, and one Free-soiler.”⁴

Opposition to land grants to railroads continued somewhat persistently until 1856. The sentiment seems to have changed completely on this subject about this date. The next decade was one of reckless and profligate land grants. The following quotation from Orfield reflects the change in opinion regarding land grants: “The country went railroad mad and Congress but reflected the general craze for immediate development of rapid means of communication. The Civil War also served to emphasize the importance of the railroad for military purposes and was one factor in extending the policy to the Pacific roads.”⁵

⁴ *Federal Land Grants to the States with Special Reference to Minnesota*, Bul. of Univ. of Minn. (1915), p. 105.

⁵ *Ibid.*, p. 106.

Land grants to transcontinental roads were confined principally to the Civil War period. The influence of the South had been eliminated from Congress, and the interests of the East and West had been drawn more closely together. It became, therefore, relatively easy to secure unusually favorable grants for railroad construction. The first of these grants was made to the Union Pacific in 1862. The Union and Central Pacific roads were planned to cross the "Great Desert," while the Northern Pacific was to cross the Cordilleras at a lower level and avoid the desert. In 1866 land grants were authorized to the Atlantic and Pacific and the Southern Pacific.

The land grant made to the Union Pacific was the first made directly to a railroad corporation instead of to a state. Most of the area west of Missouri had not been organized into states at this time, and a departure in policy was necessary to encourage the building of railroads. But the difference was more nominal than real, for the states to which Congress made land grants promptly transferred their grants to the beneficiary corporation.

The extent of the grants to the sixteen roads of the Middle West and far West was enormous. The policy adopted in 1856 was to donate every alternate section of land within six miles of the road. This amounted to six square miles, or 3,840 acres for each mile of railroad. From time to time this amount was increased. For instance, in the case of the Union

Pacific and other lines in the West, the grants were increased to every alternate section within twenty miles of the railroad. The aggregate of these grants to the Union Pacific approximated 12,000,000 acres; to the Central Pacific, 6,000,000 acres; to the Northern Pacific, 3,300,000 acres; and the Southern Pacific, 3,600,000 acres. The total grants to all western roads, exclusive of 29,000,000 acres of unadjusted claims, amounted to 115,455,093 acres—"an area," says Orfield, "as great as the total expanse of the states of Michigan, Wisconsin, Illinois, Indiana, and half of Ohio, and exceeding the total homestead entries made up to June 30, 1911, by 21,000,000 acres." ⁶

It was inevitable that fraud and dishonest practices would grow out of these enormous grants to railroad corporations. Unscrupulous railroad officials soon began to devise means for defrauding the government. Fraudulent surveys were made whereby railroad sections were made to include water rights. In sparsely watered sections where ranching was almost the exclusive industry, the railroad corporations acquired indirect control over this important industry. By similar frauds lands rich in mineral deposits were acquired by these corporations. One method of defrauding the government involved the purchase of the alternate quarter-section belonging to a railroad and the other three

⁶ *Federal Land Grants to the States with Special Reference to Minnesota*, Bul. of Univ. of Minnesota (1915), p. 108.

quarter-sections belonging to the government would be secured in due time through "dummies" selected for the purpose. The railroads also came in competition with the government in the sale of land. As a means of inducing settlers to buy railroad lands, reduced freight rates or rebates were promised. This practice produced one of the most significant controversies in the last half of the nineteenth century. The regulations of freight rates became one of the most important political controversies of our history, and agrarian influence throughout the nation was exerted on the side of regulation. Freight rate abuses were one of the principal causes leading to the establishment of railroad commissions in many states. The Interstate Commerce Commission had its inception in the conflict between railroad corporations and the general public.

Federal land grants and railroad bonuses resulted in bonanza farming on an enormous scale. Farming practices of the period developed a class of nomadic farm hands who began the harvest season and worked northwest as the grain crops matured, following the harvesting season until the Canadian border was reached. There also were groups of sheep-shearing specialists who passed their winters in the towns and cities and usually made two rounds a year in the practice of their vocation. The great cattle ranges were traversed by nomadic bands of cowboys who followed the cattle trails. Texas cattle were rounded up on the ranges and driven

northward to fatten upon the "bad lands" of Montana and elsewhere as a preparation for the Chicago markets.

In the meantime the country was settling up rapidly. The inducements of the railroads and the government and the discovery of valuable mineral ores in certain parts of the West made this section of the country attractive, both to the adventurer and to the pioneer farmer. Many of the adventurers were rough fellows and some of them were lawless and indifferent to property rights. But gradually the orderly element of the population gained supremacy and legitimate methods of production succeeded the adventurous practices of the early days. There survived, however, a spirit of initiative and self-reliance which dominated throughout the Middle West.

Psychological and Social Effects

In the meantime important psychological changes were taking place. Mark Sullivan has described these changes as a "mood of irritation."⁷ He traces this emotion to the unconscious realization that the available supply of free land had been reached. "The average American," says Sullivan, "who had been able to look out on a far horizon of seemingly limitless land, now saw that horizon close in around him in the shape of the economic walls of a different sort of industrial and economic organization, walls

⁷ See *Our Times* (1926), Chap. 8.

which, to be sure, could be climbed; but which called for climbing. This economic limitation which came with the end of free land and the irritation of spirit arising out of it was felt not only in the West. It was felt even more in the East, where, for generations, the course of ambitious youth had been to 'go West' and 'take up' a quarter-section of land."

This psychological transformation is interestingly described by Sullivan as follows:

"The free land had been for a hundred years the outlet for restlessness, the field for ambition. When that came to an end, restlessness turned in upon itself and fermented into something a little bitter. Ambition, compelled to do its pioneering in more complex fields, frequently failed to find satisfaction. Adventure and initiative, instead of finding free scope on a hundred and sixty acres of virgin land, had to turn to fields where men's elbows bumped each other, fields crowded and highly competitive, in which adventure was frequently thwarted, and initiative deprived of its chance—not merely of its chance to come to fruit, but even, sometimes, of its chance to get a start.

"So long as there was free land, every man had the opportunity to create new wealth for himself by the simplest and oldest means known to mankind. With the end of free land, American men for the first time had occasion to look with envy upon the wealth of others, or with jealous scrutiny upon how they had acquired it. The end of free land was the begin-

ning of those political issues which had to do, in one form or another, with 'dividing up,' or with curbing those who had much.

"The end of free land was the largest one of those causes which, in the years preceding 1900, gave rise to a prevailing mood of repression, of discomfort, sullenly silent, or angrily vocal. Opulent America, generous, full-teated mother, was beginning to wean her children, and they were restless. It is doubtful if any considerable portion of those who were fretful recognized this intangible, inexorable thing as the cause of it. It took time to pass from easy-going assumption that our land, our forests, all our natural resources were unlimited, to uncomfortable consciousness that they were not. The average American, more readily visualizing a personified cause for his discomfort, dwelt more upon causes that proceeded from persons, or organizations of persons—corporations, 'trusts,' or what not. There were such causes. But they were minor compared to the ending of the supply of free land."

Socializing agencies produced profound effects on the individualism of the frontiersman of a generation ago. The new physical conditions which have accelerated socialized effort in the West are nowhere more clearly outlined than in the following words of Professor Frederick J. Turner: "The pioneer farmer of the days of Lincoln could place his family on a flatboat, strike into the wilderness, cut out his clearing, and with little or no capital go on to the achieve-

ment of industrial independence. Even the homesteader on the Western prairies found it possible to work out a similar independent destiny, although the factor of transportation was a serious and increasing impediment to his individual freedom. But when the arid lands and the mineral resources of the Far West were reached, no conquest was possible by the old individual pioneer methods. Here expensive irrigation works must be constructed, coöperative activity was demanded in utilization of the water supply, capital beyond the reach of the small farmer was required. In a word, the physiographic province itself decreed that the destiny of this new frontier should be social rather than individual.”⁸

The time had come for coöperative effort in the process of building a better and more adequate civilization. It was a simple matter for these pioneers to adopt the city building plans of the East and organize their business enterprises on the corporate principle that was rapidly taking the place of copartnership organizations everywhere. Capacity for organization accelerated progress in the newly settled sections. But it did far more. It slowly developed a conscious solidarity. It is not surprising, therefore, that soon after the Civil War the farm and ranch population of the West raised the voice of protest against fraudulent practices in connection with land settlement and complained bitterly against the unjust freight rates that absorbed

⁸ *The Frontier in American History* (1920), Chap. IX, p. 258.

their profits from the sale of their farm products. It is in this section of the country where the most radical groups of farmers have developed in recent years. In subsequent chapters more detailed consideration will be given to the organized efforts of these farmers to secure social justice in the production, transportation, and sale of their products.

CHAPTER VII

THE INFLUENCE OF THE TARIFF ON AGRARIANISM

While the land policies of the federal government were scattering the rural population over vast areas of the middle West, and developing a spirit of individualism, there were other political and economic policies that were slowly inculcating a sense of conscious solidarity in the minds of the farm population. The tariff was the most significant influence of this character.

The transition from an agricultural economy to a more diversified system of industry slowly took place between 1789 and 1819. During this period great changes were being made in mechanical invention and industrial processes, but during the closing years of the eighteenth century exports of agricultural products continued to predominate in American foreign trade. The range of importable articles, principally from England, consisted of cotton and woolen goods. The wars of the French Revolution gave the United States almost an exclusive market for her agricultural products in Europe and the West Indies. During the Napoleonic wars

England extended her trade in manufactured products with the United States.

These peculiarly encouraging conditions, both for agriculture and commerce, prevented any strong sentiment favorable to governmental assistance to manufacturing. "Much has been said," says F. W. Taussig, "in the course of the protective controversy about the views of the fathers of the republic. But for nearly twenty years after the formation of the Union other subjects so absorbed the attention of public men that no distinct opinion appears in their utterances for or against protective duties."¹ But the issue of protection arose in the first session of Congress. The representatives from Pennsylvania were the first advocates of a protective tariff policy. Pennsylvania and Massachusetts had imposed protective duties previous to the adoption of the Constitution. In fact, several of the Colonies had accepted the principle of protection as an aid to some of their infant industries. It is therefore not surprising that the Madison Tariff Bill was introduced in Congress on the third day of the first session in 1789 and received favorable consideration. As finally passed, this bill may be regarded as both a revenue and a protective measure.

Policy of Protection

Previous to 1808 the protective feature of the Tariff Act was only mildly protective. The duties

¹ *The Tariff History of the United States*, Chap. II, p. 13.

were increased slightly from time to time, but the motive was to increase the revenue instead of extending additional aid to industrial enterprise. However, international complications resulted in changing the point of emphasis in the tariff policies of the country. The Berlin and Milan decrees of Napoleon, and the English orders in Council, resulted in the Embargo Act of 1807. War with England was declared in 1812. During this war all import duties were doubled and trade with England was prohibited. This situation gave a great stimulus in the United States to the manufacturing industries, especially to those engaged in producing articles which had previously been imported. While the restrictive legislation of 1808-1815 was essentially designed to increase the revenues, the effect was equivalent to high protection. When the war closed, the industries that had grown up as a result of the protective policies, were now in need of protective duties to sustain them. Patriotism and pride in the material welfare of the nation united in producing a strong protective tariff sentiment throughout the country.

The Tariff Act of 1816 was clearly a protective tariff measure. It was passed in response to the demands of the manufacturers. This measure was opposed by the commercial interests of the country whose prosperity was dependent upon the greatest freedom in international commercial intercourse, but these commercial interests were mostly Federalists

who had opposed the War of 1812, and they were in the minority and their Republican opponents were now in power. The "American System," as advocated by Henry Clay and other statesmen of his school, was interpreted to mean that the people of the United States should make their own supplies at home and that every encouragement should be given to industrial enterprise. The Tariff Act of 1816 was generally regarded as one expression of this political doctrine.

It is significant that the agricultural South had never opposed a tariff law up to this time. In fact, the Tariff Act of 1816 was of southern origin. The bill was reported to Congress by Lowndes, of South Carolina, and was supported strongly by Calhoun and Clay. At this time the agricultural interests of the country had more in common with the manufacturers than with the commercial agencies. The southern people had strongly supported the war policies of the government. It was logical for them, after the war, to favor those measures that would increase the economic as well as the political independence of the country.

The Tariff Becomes a Sectional Issue

But it was not long until the agricultural interests of the South began to feel that protection had gone too far. The growth of this sentiment is easily understood when the changing situation is analyzed. The western migration, as previously indicated,

created concern in all the Atlantic States. There was great fear that the old sections of the country would become partially depopulated, and that both economic and political power would be shifted to other sections of the country. However, this feeling of alarm was somewhat neutralized by the rapid development of the manufacturing interests in New England. But in the South there were no counterbalancing agencies to offset the loss sustained by the migrations farther west. In fact, the South was adversely affected in two ways by this situation. In the first place, there was a decrease in land values; in the second place, the extension of the area of cotton culture, with a corresponding increase in production, caused an over-supply and a fall in the price of this product. Many people believed that the protective tariff was responsible for the economic distress throughout the South. It appeared to the agricultural producers that the manufacturing interests of the North and East were being built up at the expense of agricultural production, and that the inequality of economic opportunity was largely the result of the unjust tariff policies of Congress.

But the agricultural interests were not of one mind with reference to this matter. The farmers of the West were in the same position logically as those of the South, but they did not react in the same way to the tariff policies of the country. This is explained by the fact that the economic situation of the western farmers was better than that of the

southern farmers. Improvement in transportation facilities had the effect of lowering the prices of commodities, while land values increased with the growth in population. The feeling was strong in the West that the development of industrial centers would give increased marketing facilities for the raw products of the farms and ranches.

The era of prosperity that the country experienced after the War of 1812 was followed by the panic of 1819. This depression resulted in demands for further tariff legislation and the Tariff Bill of 1820 was proposed. This bill provided for an increase in the tariff rates on cotton and woolen textiles, iron, and hemp. It finally passed the House but failed in the Senate by one vote. The sectional attitude on this bill is indicated in the following quotation from John Spencer Bassett: "In the former body (House) it received all the votes from the Northwest, and all but one from the Middle states. All but five of the votes from the older South were against it and all but four of those from the Southwest, including Kentucky. The parts of New England which represented the older commercial and farming interests were against it, while those which favored the manufacturers were for it. Thus, the agricultural South and Southwest and the commercial and agricultural parts of the Northeast were opposed to protection, and the manufacturing and agricultural Middle states and the Northwest were for it." ² The tariff

² *A Short History of the United States*, Chap. XVIII, p. 385.

had now become a sectional issue in which agricultural producers were arrayed against the manufacturing interests of the country.

A close vote on the tariff bill of 1820 made it inevitable that this measure would be taken up again. Several attempts were made but they did not succeed until the bill of 1824 was proposed. This act passed both houses by a very small vote. Its passage was secured by two significant compromises. In the first place, the duties were not so high as those proposed in the bill of 1820; in the second place, by raising the rates on hemp the entire vote of Kentucky was cast in favor of the bill. The duty on raw wool which had appeared in previous bills again secured the solid vote of the Northwest. "Here again," says Bassett, "was seen a strong opposition in the South and Southwest, and New England was again divided, Massachusetts, New Hampshire, and Maine casting in opposition 22 of their 25 votes in the house. In these states the commercial interests were in political control, and Webster, voicing their wishes, made an excellent speech against the bill. Every vote of the Northwest and of Kentucky was in the affirmative and every vote of the South and the Southwest, except three from Maryland, one from Virginia, and two from Tennessee, was in the negative. Save for New England, the tariff had become a sectional issue" ³

"The Tariff of Abominations," as the Tariff Act

³ *Op. cit.*, p. 386.

of 1828 was called, had the effect of uniting the interests of New England on the side of protection. Webster declared that manufacturing had progressed to the point where protection was the chief interest of Massachusetts. "The long opposition," says Bassett, "between commerce and manufacturers in New England was at an end, and the latter had triumphed. This last stronghold of anti-tariff sentiment in the North had surrendered. The tariff was now wholly a sectional policy."⁴ It is easy to see what had actually happened. The manufacturing interests in New England had grown to the point where that industry completely predominated over agriculture, and that section of the United States became unified on the protective policies of the country. But, in the meantime, the balance of power had shifted to the West. The agricultural interests had now become fully aware that the protective tariff policy was essentially designed to aid industry. It became necessary, therefore, to resort to another expedient in order to continue the protective tariff policy of the government. The expedient resorted to was that of providing protection for certain raw products. As we have seen, protection for hemp secured the vote of Kentucky for the Tariff Act of 1824. Protection for wool had the effect of reconciling the farmers of the West and Northwest, but at the same time it created a cleavage between the farmers of the South and the West.

⁴ *A Short History of the United States*, Chap. XVIII, p. 387.

It is aside from the purpose of this discussion to review the tariff history of the United States even in outline. The preceding discussion is sufficient to indicate broadly the steps by which the interests of producers and manufacturers became differentiated with reference to the tariff policy of the country. By 1830 the agricultural producers of the South had become thoroughly united in their opposition to a protective tariff. They had come to realize that, regardless of the effects of the changing tariff enactments, no tariff law was drawn with reference to the welfare of agricultural producers. Agrarian protests became increasingly portentous through the next two decades. The doctrine of Nullification in South Carolina was one expression of it. The seriousness of this protest is indicated by Clay's compromise tariff of 1833, which postponed but did not settle the issue. All tariff acts passed by Congress from 1830 to 1861, with the exception of the Act of 1846, were clearly protective in character.

The general attitude of the agricultural population in the South toward sectional influences in congressional legislation is revealed in Calhoun's speech in the Senate, which was delivered on February 4, 1850. He declared that the equilibrium of power between the North and the South had been destroyed. He claimed that this was not due to natural causes, but to policies adopted by the federal government, one of which was that of the protective tariff. Calhoun arose from a sick bed to give

expression to this sentiment, and a few days later he died. It is not without significance that the last public utterance of Calhoun reflected the united public opinion of the South. The Morrill Tariff Act of 1861 was passed on the eve of the Civil War, after several Southern senators had withdrawn. It restored the rates of earlier tariff acts and again committed the country to a policy of protection.

No issue in American politics has had such great influence in dividing the people politically as the policy of protection. It has been unfortunate that an economic question of such intricacy should become such a persistent and continuous political problem. Agricultural producers usually have not been given consideration in the formulation of tariff schedules. Tariff rates have almost invariably been determined by the interests of industrial producers. Protective rates have been extended to a few raw products when a compromise was necessary to secure a sufficient number of votes for the passage of tariff legislation. The influence of agrarian forces in recent years has had the effect of increasing the number of raw products for which protective rates have been provided, but the extension to such products usually has been the result of compromise in the interest of higher protective rates on manufactured products.

Influence of the Tariff on Farm Prosperity

Much has been claimed for the great tariff acts of recent times. There are those who claim that the Dingley, the Payne-Aldrich, and the more recently enacted Fordney-McCumber tariff acts, each a strong protective measure, resulted in direct benefit to the farmers of the country. This claim merits analysis.

It is true that the prices of protected farm products have risen in many cases as a result of tariff legislation. This is notably true of wool, sugar, and vegetable oils. In recent years enormous quantities of vegetable oils have been shipped into the United States from Manchuria, Korea, and the Tropics. These oils have come into direct competition with cottonseed and peanut oils. The seriousness of this competition is indicated by the fact that previous to 1920, the quantity of imported vegetable oils almost equalled the entire cottonseed oil production of this country. The United States Tariff Commission, after a thorough investigation of this situation, reported that soya beans and peanuts could be produced in Oriental countries in almost unlimited quantities at prices that would destroy the vegetable oil industry in the United States. It was shown also that there were 28,500,000 acres in cocoanuts in the tropics, which would provide a source of supply for oils interchangeable in the manufacture of oleomargarine, lard substitutes, and soap. The Ford-

ney-McCumber bill, in providing protective duties for vegetable oils, undoubtedly stimulated the vegetable oil prices and benefited the seed crushing industry in the South.

Balancing the Accounts of Agriculture and Industry

But in its larger aspects, the tariff policy has become one of balancing accounts, when the benefits to farmers are to be considered. Farmers have been led to believe, that they could afford to pay high prices for their purchases, if the tariff rates were equally effective in raising the prices of the things they had to sell. But the wheat, cotton, and corn farmers, who constitute the large majority of agricultural producers and whose aggregate products exceed enormously in value the relatively few farm products on the protected list, get no protection. The American Farm Bureau, which is impartial politically, has estimated that the Fordney-McCumber Tariff Act has added \$125,000,000 to the aggregate income of the farmers of the country. But this amount has gone principally to the growers of wool, hard spring wheat, flax seed, lemons, and to the producers of sugar. And while these producers were profiting by a gain of \$125,000,000, the growers of other staple products were losing \$1,500,000,000, or more than ten times as much in increased prices that they were required to pay because of the tariff on the manufactured commodities they bought.

The viewpoint of thousands of farmers is reflected in a recent book of Herbert Quick, written shortly before his death, in which he contends that the farmers of the nation are never benefited by a protective tariff, even when it includes many of the products of the farmer. After saying that the free flow of wheat and cotton to European markets is chargeable to our existing tariff, he goes on to say: "But we through our tariff laws shut out many of the goods with which they would, if they could, buy our wheat and cotton; and their currencies are depreciated so that exchange is against the trade. So they go on naked and starving, while we also suffer from our own glut of what they bitterly need. All that is needed in order to bring relief to our farmers and Europe, is to put demand in touch with supply.

"If we had a law giving greater freedom in the place of the restrictive laws we now have, the markets of the world might lift the farmers out of the hole in which they find themselves."⁵

Quick argues the effect of the tariff on agriculture by referring specifically to its influence on corn, wheat, flax seed, rice, sugar, wool, beef cattle, and other products in the typical agricultural state of Texas. After directing attention to the fact that the sugar tariff costs the American people two dollars per capita, which aggregates a total of \$216,519,626 a year for all the American people, he says:

"Of this tremendous sum, the United States gov-

⁵ *The Real Trouble with the Farmers*, Chap. III, pp. 22 and 23.

ernment collects \$124,481,848 at the custom-houses. It is all added to the cost of living. Over \$92,000,000 goes to the sugar manufacturers and producers. The beet-sugar factories in the West need no tariff, for they are 'protected' by freight rates from the ports. The only American farmers who get any good of it, broadly speaking, are those of Louisiana. Their output gets about \$2,500,000 a year by it. In other words, we tax ourselves \$92,037,778 to give the Louisiana people \$2,500,000. It would be better to pay them for letting their lands lie fallow if we could get cheaper sugar thereby. The farmers of the whole country need cheap sugar more than any one else. The tariff is not laid for the benefit of the cane-growers, or the beet-growers, but for the great interests engaged in the manufacture and refining of sugar. The farmers even in sugar producing regions would be quite as well off if not a pound of sugar were produced. They could use their lands as profitably for other crops. And the beet-sugar business is introducing labor conditions which debauch their communities." ⁶

The conclusion of this writer is that "a tariff for the benefit of the farmer has been, and is, bunk—abysmal bunk. . . . Farm benefits from tariff acts are always in the clouds—never in the clods."

While it is believed that Herbert Quick is reflecting the general view of the farm population of the country with reference to the effect of the tariff on

⁶ *Ibid.*, Chap. IV, pp. 32 and 33.

agricultural prosperity, there seems to be no denying the fact that farmers of certain crops have profited by protection. In fact, Quick admits that the wool producers have profited by protection. But after admitting this fact, he reminds us that not all farmers are sheep growers, but that only a relatively small number of those engaged in agricultural enterprise are exclusively identified with this special industry. He contends that the benefits of protection from our wool tariff go to the few owners of big flocks on great ranges and that, while these few are profiting by protection, all other farmers are suffering losses as a result of this general policy.

The problem of crop surpluses brought the tariff issue squarely before the Sixty-ninth Congress in its consideration of agricultural legislation. A vast amount of information relating to the inequality of the tariff between agriculture and industry has been brought out in hearings of agricultural committees of Congress and in the prepared speeches delivered or submitted for record by senators and representatives.

Proponents of farm relief in Congress contended that the existing tariff schedules benefited manufacturers at the expense of farm producers and that the aggregate protection provided for farm products was more than offset by the increased prices farmers had to pay for manufactured articles. An example of this argument is illustrated by the following quotation, credited to the Jefferson City, Missouri,

Capitol News and quoted in a speech by Congressman C. C. Dickerson:

"The United States has the richest and greatest iron-ore reserves, the largest coal reserves, best skilled labor, and best business management.

"In the face of all these facts and conditions, new and uncalled-for higher tariffs are given the steel industries, so that their enormous profits can be further increased and higher prices exacted from all people compelled to buy the products of steel and iron. The cutlery tariffs averaged 107 per cent, pocket knives 146 per cent, the cheaper grades 179 per cent, scissors and shears 185 per cent. These amazing rates cost the people \$50,000,000 annually.

"The railroads consumed $22\frac{2}{3}$ per cent of iron and steel products, or 5,986,000 tons, during 1925. On these and other products purchased for all purposes the railroads pay increased tariff prices of nearly \$200,000,000 annually, which they pass on to the shippers in the form of higher freight rates. The farmer not only pays his share of this, but he is also a consumer of iron and steel products in the amount of nearly 20 per cent of the entire output. So he falls heir to this additional tariff burden. The building and bridge trades consume 18 per cent, thereby unduly enhancing the cost of building." ⁷

The method of balancing the farmer's accounts as his financial operations are affected by the tariff is illustrated in the following quotation from a

⁷ *The Congressional Record*, Vol. 67, No. 131 for May 17, 1926.

speech of Congressman O. B. Bartness of North Dakota:

"An analysis of the higher price received by the farmer on such of his products as are protected by the tariff reveals that the protection brings him a total additional sum of around \$125,000,000. Analyzing further we find that the additional sum paid by the farmer for agricultural products of other countries totals \$95,000,000. Thus his gain is \$30,000,000, or \$1 for each man, woman, and child connected with agriculture. A still further analysis reveals that because of the tariff the farmer pays \$150,000,000 extra on manufactured steel products alone, or the equivalent of \$5 for each man, woman, and child. The extra cost to the farmer on other manufactured goods which he purchases will total even more. So under the present tariff the farmer makes a net gain of \$1 on the higher price for agricultural products and pays ten times that to maintain the higher-than-world price on manufactured goods which he buys.

"Such disparity would not of itself be the serious matter it has been since the war if the depression of Europe had not found a vulnerable point or means of attack through our export products. That depression would at once disappear if our statesmen would devise a way to protect our home market price on the agricultural products which are now in our export class." ⁸

⁸ *The Congressional Record*, Vol. 67, No. 132 for May 18, 1926.

Probably the best summary reflecting this point of view is contained in the discussion of the effects of the tariff on agriculture by Honorable Cordell Hull, a recognized tariff and revenue expert, who writes as follows:

“Agriculture has never gone to the heart of the tariff question: but should it fail soon to do so it is destined to a state of permanent decay in this country. There is no more sound economic law than that tariffs are helpless to benefit an industry with a substantial surplus, which must be annually sold abroad in competition with important quantities of like products from other countries. The American farmer, therefore, who produces of the total agricultural output some 80 to 85 per cent of the staple agricultural products, such as corn, cotton, wheat, oats, rye, hay, lard, meat products, and tobacco, much of which must be exported, can not hope to receive any appreciable tariff benefits. The existing tariffs, on the contrary, hurt the American farmer by (1) increasing his production costs, (2) his cost of living, (3) his transportation rates on both land and sea, (4) decreasing his foreign markets and his exports, and (5) decreasing his property value by surplus congestion. The tariff is a tremendous factor in the production cost of the farmer as it is in his living costs. There is scarcely an article which he can purchase for any purpose at a price that is not tariff inflated. His agricultural machinery was placed on the free list while higher duties were im-

posed on all the materials entering into the same, and the fact that the manufacturer dominates the world compels the farmer to pay high-tariff prices just the same. While the inevitable logic of high tariffs is that home production should not exceed home consumption, ultraprotectionists are striving to expand the exports of industry while they are advising the farmer to restrict his output to the home demand. They tell him that he should be content with home markets. In the first place, the farmer's home market is secure, regardless of tariffs; secondly, of what concern is the home or any other market to the farmer unless he can sell at a price above the cost of production? The farmer is interested in prices above all else. High-tariff advocates also tell the farmer that his collapse in 1921 was primarily due to commercial depression, whereas in truth the commercial depression was primarily due to the agriculture collapse and loss of purchasing power."

The proposed farm relief legislation under consideration by the Sixty-ninth Congress brought forth widespread discussion in the press of the country. The farm press was particularly vigorous in its advocacy of remedial laws. Most of the editorial comment referred to the inequality of the tariff schedules in justifying a subsidy for agriculture. *The Progressive Farmer*, an ably edited and widely read paper in the South, analyzes the situation as follows:

"The high tariff tends to lessen the importation

of foreign goods, and thus by lessening competition, has increased the price of manufactured goods—plows, clothing, etc. Immigration laws have shut out foreign labor and this in turn has enabled our American laborers to charge and get more for their services. The farmer is paying his part of what it costs to promote the welfare of these classes. He has been taxed in order that the life of the American laborer might be made more pleasant and to make even more exorbitant the profits of the American manufacturers. He has suffered all this for the sake of a protective tariff, but when it comes to making farm prices higher, the tariff ‘hits only on one cylinder.’ It helps considerably with certain minor crops, and to a certain extent with more important ones, but any impartial student of agricultural economics will tell you that the tariff costs the farmer much more than it brings him.

“It is this condition of affairs that has made farmers dissatisfied and brought about a strong demand for legislation that will relieve the situation. All over the country farmers are saying, ‘I buy in a protected market but when I sell I take pot luck with the rest of the world. Protect me as you have the laborer and the manufacturer or quit helping these other two classes at my expense.’ Since the manufacturers of the East will not agree to any reduction of the tariff, the farmers of the West are demanding agricultural legislation to level things up. They insist that the Government give them some sort of

legislation that will do for the farmer what the tariff has done for the manufacturer."

The defenders of the protective tariff balance the accounts of agriculture and industry quite differently from those who oppose this policy. An article by Congressman Will R. Wood in the *Nebraska Farmer*, issue of June, 1926, discusses the benefits of a protective tariff to farm producers. He calls attention to the fact that exports of farm products have declined from 15.38% of our total exports in 1921 to 6.6% in 1925. This is a decrease in valuation of \$356,000,000.00. When we turn from exports to imports attention is called to the fact that the aggregate value in 1925 was \$3,610,000,000.00. Of this total \$2,080,000,000.00 or 57% was admitted to this country duty free. Of the \$1,530,000,000.00 worth of goods on which a duty was paid, \$780,000,000.00 or 50% were agricultural products on which a duty was charged to protect the farmers of this country. This left \$750,000,000.00 worth of imports other than agricultural products on which a duty was paid but of this amount \$250,000,000.00 represented such luxuries as mahogany, cut glass, and diamonds. The farmers' prosperity is not affected by the tariff on these luxuries.

The advocates of protection contend that the policy is as necessary to agriculture as to industry. Foreign competition is growing rapidly in the production of farm products. The wheat area of Canada, Australia, and the Argentine is being extended

rapidly. Dairy production in South America and New Zealand continues to expand. Live stock producers in this country are now compelled to compete in foreign markets with those in Brazil, the Argentine, and other countries. English cotton spinners are undertaking to encourage cotton production in many parts of the British Empire.

Land values and high production costs make it impossible for the American farm producer to compete successfully in the markets of other countries where land is cheap and the labor cost low. Therefore, the prosperity of the American farmer is dependent upon the policy of protection.

It is also contended that protection to manufacturing interests insures reasonably high wages and a relatively high standard of living for industrial workers. The farmer benefits by the prosperity of industrial enterprise because the purchasing power of producers is relatively high. "The American farmer," says Will R. Wood, "can reduce the American wage earner to the level of the European if he so desires by assisting those who would tear down our tariff walls, and he should do this if he figures that by so doing he will be the gainer in the transaction. Any time the American farmer desires to exchange the American wage earner who eats beef and veal and pork and mutton and consumes 154 pounds of it a year for the European workingman with his poverty-stricken standard of living; any time the American farmer desires to exchange the American

industrial worker, who eats white bread three times a day, for the European laborer, who eats it not at all, he can take a long step in that direction by assisting the enemies of protective tariff system tear down the tariff walls.

"Any time the American farmer desires to buy all of his manufactured goods from foreign producers because he can get them for less money, he can realize his desire by voting to repeal the protective tariff now in force and effect. But when he does so, he not only throws his best customer out of work but he enables all American consumers to purchase the cheap wheat from Canada, cheap dairy products from all quarters of the globe, and cheap meat products from the pampas grass plains of Argentine.

"American industry and American agriculture are interdependent. American industry can not injure or destroy American agriculture without striking at the agricultural people, who purchase, on the whole, 45 per cent of the products of American mills and factories. American agriculture can not injure or destroy American industry without striking at the workers in industry, who purchase 90 per cent of the output of the American farm." ⁷ This, in brief, is the typical argument for protection by those who reflect the viewpoint of industrial producers. But it is only fair to say that the organized farmers of the nation do not accept this analysis of the situation.

⁷ See *Congressional Record*, page 12885, for July 3, 1926.

It goes without saying that it is an impossibility to adjust the tariff on manufactured goods and farm products in such a way as to equalize the benefits of the system. But it should be observed that the extension of tariff schedules to farm products has not had this end in view primarily. The extension of duties to eggs, butter, milk, oranges, lemons, beef, wool, sugar, beets, and other articles has been rather in the form of a concession to the farm producers to reconcile them to the general tariff protection policy of the country.

The widespread belief of farm producers, that the tariff has been detrimental to them, has been one of the most universal causes of unrest and dissatisfaction among those who till the soil. Farmers throughout the country have known that powerful influences have been brought to bear upon Congress in almost every session to provide protection to manufacturing enterprise. It is a well known fact that in the main these efforts have proved successful. As a result of this policy the farmer has bought most of the things he needs in a protected market and sold the products of his labor in a free-trade market. This has seriously affected adversely the relative exchange between the products the farmer has to dispose of and the necessities he must buy.

The farm bloc in Congress, the numerous farmers' organizations throughout the country, and the radical movements of farmers from time to time have been expressions of some of the farmers' protests

against governmental policies that were regarded as unjust and unfair to agricultural producers. The American protective tariff policy has much to account for in stimulating discontent and dissatisfaction among our farm population. In subsequent chapters an effort will be made to analyze the form which this protest has taken from time to time throughout the last half-century of this conflict.

CHAPTER VIII

FARMERS ORGANIZE FOR POLITICAL ACTION

The land policies of the government, railroad subsidies, and the changing tariff schedules caused the farm population of the country to feel the inequalities resulting from legislation. The spirit of individualism on the part of the farmer had gradually declined as the rural population increased and the mechanical and social agencies promoting solidarity developed. By the end of the first decade after the close of the Civil War, conditions were ripe for definite political action on the part of the farmers. All that was needed to bring all the latent forces of rural life into action was a real or imaginary common cause. The financial depression of 1873 supplied this cause and started a movement the significance of which has not yet been realized fully. Haworth, in commenting upon the underlying causes of the new agrarian tendencies of this period, says: "Gradually discontent spread. For a score of generations Anglo-Saxons had been travelling the stony road to political equality, and in theory at least the goal had been attained. But men were beginning to realize that political equality was a poor thing unless through it they could obtain some-

thing approaching equality of economic opportunity. Thus the old question of equality came to the front again, but with a new face. Populism, progressivism, socialism, Bolshevism, were all manifestations of this new struggle for human rights.”¹

Class consciousness grew rapidly in almost every section of the United States immediately after 1870. Industrial labor organized for the purpose of increasing its bargaining power with capitalistic interests. Labor unions undertook to coerce their fellow craftsmen to join their organizations. Capitalists adopted the policy of the combine, both for financial profits and for increasing economic and political power. The farmers finally realized that their individualism had made them ineffective as an influence in politics and in the business relations affecting their own interests.

While financial corporations, labor unions, and farm organizations were developing conscious solidarity in their own respective groups, the mutual interests between capital, industrial labor, and farm enterprise were disregarded almost completely. The balance of power was clearly on the side of the wealthy combines. The great corporations which rapidly developed into trusts used the machinery of government to accomplish their ends. They opposed limitation on working hours; they fought factory regulation of all kinds; they resisted gov-

¹ *The United States in Our Own Times, 1865-1920*, Chap. XXIV, p. 501.

ernmental regulations. Influential lobbies were maintained at the national and state capitals during the sessions of Congress and the several state legislatures, and aggressive attempts were made to control political conventions, nominations for political offices, and not infrequently public officials were intimidated and sometimes bribed in an effort to defeat all forms of legislation intended to promote social justice between all classes.

The objective of all organized effort was relief through class legislation. Industrial labor and agricultural producers had realized that for nearly a century special interests had appealed to Congress for advantageous tariff duties for manufacturing enterprises and for all kinds of subsidies for transportation companies and other corporate interests. The belief had spread to all elements of the population that legislation was the only means for equalizing economic opportunity. "The idea that permanent relief from oppressive conditions could be obtained only through governmental intervention," says B. P. DeWitt, "slowly gained ground. Those who proposed the idea at first were called revolutionists and socialists and were regarded as visionaries. Soon, however, the government was appealed to in various ways to change existing conditions. Railroads could be curbed by commissions, the tariff could be lowered, corporations could be dissolved, incomes could be taxed. The people were under the delusion that they owned the government; they had used it little:

now, they thought, it would have to succor them. Government and legislation would bring in the millennium." ²

There was no element in our population who believed this more firmly than the farmers. They had come to feel a deep sense of economic injustice. They organized for political action. While the methods they adopted to accomplish their ends have changed from time to time throughout the past fifty years, they have been active in politics. Part of the time they have exerted their influence through the two old party organizations, and other times they have rebelled and attempted to accomplish their ends through parties of their own.

The Beginning of Political Protest

In 1858 a conference of farmers was held at Centralia, Illinois, for the purpose of protesting against excessively high freight rates. This was nine years before the organization of the Grange. But the Civil War was near at hand and the interest and energies of the people soon were absorbed completely in the changing aspects of national life and the conditions created by the great world conflict. High prices incident to the disturbed conditions also had their effect on farmer opinion. But a decline in prices after the war again focused attention on freight rates. The farmers had not forgotten their experiences with transportation companies previous

² *The Progressive Movement* (1915), Chap. I, p. 15.

to the beginning of hostilities, and protest against prevailing rates was not only renewed but it was much more widespread than formerly. Farmers of the West were producing immense crops of grain which they were unable to market because of the inadequate equipment of the railroads. The prices of farm products were so low that the farmers could not afford to pay the freight from the farms to the market centers. The situation was intolerable and it was inevitable that something should be done.

The railroads naturally resisted all efforts to reduce freight rates. They were over-capitalized and were endeavoring to pay dividends on capital investment in excess of actual values. The railroad officials had lost the confidence of the people because of fraudulent practices. Their pleas, therefore, for impartial consideration fell on deaf ears. "High freight and passenger rates," says Haworth, "and stories of the millions that railway lords were piling up, combined to create great hostility among the people; and the men chiefly engaged in the management of railroads—Jay Gould, the Vanderbilts, Thomas A. Scott, John W. Garrett, and others—were indiscriminately condemned as a band of financial pirates."³

While this controversy between farmers and transportation companies was in progress, the "Patrons of Husbandry," familiarly known as the "Grangers," was founded in Washington City in 1867. This

³ *The United States in Our Own Times*, Chap. I, p. 159.

society did not gain much importance until the panic in 1873. But the financial distress of that year fed the flames of agrarian discontent, and in a short time the influence of the Grange spread throughout the Middle West. It was not long before the organization acquired a membership of a million and a half.

The greatest strength of the Granger movement developed in those sections where distress was felt most keenly and where the greatest dissatisfaction with railroad management existed. The states with the most active Granger organizations included Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, Kansas, Nebraska, California, and Oregon.

While the fundamental cause of the rapid development and spread of the Granger movement was the protection of class interests, the organization was declared to be non-political in character. In the declaration of purposes that was adopted by the National Grange in 1874, the following comprehensive program was submitted as the objective of this new agrarian movement:

"We propose meeting together, talking together, working together, buying together, selling together, and, in general, acting together for our mutual protection, and advancement, as occasion may require."

The idealistic purposes of the organization as outlined in this statement did not prevent it from

taking a definite position upon public questions affecting the interests of farmers. The phrase, "acting together for our mutual protection and advancement" might easily be interpreted in such a way as to include advocating government regulation of railroad rates, and the creation of state railroad commissions to adjust railroad charges, and to exercise the influence of the Grange for or against all kinds of legislation that was regarded as helpful or harmful to farm enterprise.

It was inevitable that the Granger organizations would come into deadly conflict with the railroad interests. The membership of the organization had long felt that the railroads were largely responsible for most of their economic distress. The Grangers took their case with the railroads to the legislatures of the several states. They demanded the creation of railroad commissions to regulate railroad charges and to supervise the administration of railroad activities. The railroad organizations resisted the efforts of the Grangers and denounced the policy of railroad regulation as confiscatory and, therefore, unconstitutional. But a number of states were influenced by the Granger organization to create railroad commissions with broad supervisory powers to regulate railroad transportation policies. The constitutionality of the so-called "Granger Laws" came before the Supreme Court in 1877 and their validity was upheld. The court took the position that the several states possessed the power to regulate rates,

provided the rates were not made so low as to amount to the confiscation of property.

The farmers of the West had won a great victory, both in legislative halls and in the courts of the country. They demonstrated their political strength and revealed the power of concerted action. Had they possessed continuous coherence, their influence would have been more permanent and helpful in securing social justice for themselves and the farmers of future generations. But it was in this respect that they revealed their weakness. The passing of the era of financial depression weakened the spirit of class consciousness among the farmers composing the Grange. The influence of the organization gradually declined as prosperity slowly returned and their grievances disappeared.

An aftermath of the Granger conflict with the railroads came in 1886. In the case of the *Wabash Railroad vs. Illinois*, the United States Supreme Court partially reversed its former decision in the "Granger Cases" and held that the states had no power to regulate interstate commerce. For a time it seemed that the principal work of the Granger movement had been brought to naught. Some of the most stringent laws regulating rates were repealed gradually by the states. But the principle that railroads are quasi-public corporations and subject to regulation in the interest of public welfare had been recognized too long to be disregarded. Instead, therefore, of a complete reversal of policy in

the states where railroad commissions had been established, their power over intra-state transportation was either held or restored. The final result of the Wabash case was the passage of the Interstate Commerce Act, which had the effect of supplementing the work of the state railroad commissions. While in very recent times the Interstate Commerce Commission has absorbed some of the powers of the state railroad commissions, both governmental agencies have continued to function in the interest of public welfare.

Agrarianism had won its first great victory in this country. The Patrons of Husbandry are entitled to the credit for the accomplishment of this task.

Middlemen's Profits and Interest Rates

The farmers had other grievances besides the railroad situation during the decade from 1877-87, that stimulated class consciousness and developed a spirit of organized protest. One of these grievances grew out of the profits of those who purchased farm products for resale to consumers. The farmer had come to feel that he was not getting his share of the profits from the sale of his products. The complaint against the middleman is not new, and the protest of the farmers in the seventies was not the first time it had been expressed. Every period of economic depression has given emphasis to inequalities in the distributive system. At this time it seemed that the middlemen had carried their system to un-

usual extremes as a means of increasing their profits at the expense of the well-being of the farm producers.

The farmers charged that commission men resorted to short weights, false standards of quality, and secret combinations to prevent competition and to depress prices. These charges were directed principally against middlemen who purchased directly from the farmers. The farmers charged also that they were compelled to pay unduly high prices for farm implements and other supplies, due to monopolistic control of industrial enterprise.

Another serious complaint made by farmers related to the high interest rates which they had to pay. The credit system especially in the South and West at this time was intolerable. Interest charges ran very high. There were many devices for Shylocking the farmer. The most vicious system was the commissary or plantation store, where supplies were purchased on time. The farmer often paid credit prices for the goods he purchased, and interest charges were then added to the sale price. The interest rates ran as high as 15 or 20 per cent and often higher. The farmer did not always understand just how the credit system was operated. But he realized from his returns at the end of the year that something was wrong.

Grievances resulting from the inequalities in the system of distribution and the exorbitant interest rates have persisted until our present day. But

recognition by the farmer of the injustice in these practices during the first decade of their organized activity has not been without significance. The agrarian protest that was raised more than a half a century ago has had much to do with rural credit legislation of recent times and coöperative marketing activities that are widely practiced by farmers of today.

All of these grievances enriched the soil of discontent, and out of it sprang a number of farm organizations. The Texas Alliance was organized in 1875; the Agricultural Wheel appeared in 1882; the Farmers' National Alliance came into existence in 1880; and the Farmers' Mutual Benefit Association was formed in 1887. Each of these organizations emphasized the grievances of farmers and proposed a remedy for the social and economic situation.

Conflicting Farmer Opinion

Two fundamental diametrically opposing policies gradually developed in these farm organizations. The farmers of one school of public opinion held that rural problems were essentially economic and social and that their solution depended upon adjustments within the control of the organized farmers themselves. The other school of farmer opinion agreed that the farmer's problems were essentially economic and social but contended that their solution depended primarily upon political action. This difference in viewpoint has persisted

until the present time. But the Farmers' Alliance during the period under review gradually absorbed most of the other farm organizations except the Grange. This order finally despaired of satisfactory results through independent action and sought relief by means of political influence.

Farmers have adopted two methods of politics to secure their ends. Throughout most of our history they have operated within the regular political party organizations. But at times they have become disheartened or impatient and organized independent parties through which they have undertaken to accomplish their purposes. History clearly shows that a political party composed primarily of farmers has never been very successful. Farm organizations, when they have gone into politics, have been usually short-lived and relatively ineffective. They seem to accomplish more for their membership by the adoption of sound business practices and the utilization of regular channels of government than by attempts at independent political action and appeal to class consciousness.

Farm influence on party action is clearly indicated in the platforms of political parties throughout most of the history of the country. It appears most persistently in the platform announcements with reference to the tariff. The Democratic platform of 1840, for example, declares that "justice and sound policy forbid the federal government to foster one branch of industry to the detriment of another,

or to cherish the interests of one portion to the injury of another portion of our common country. This doctrine is reaffirmed in later platforms of the Democratic Party. While the tariff policy of the country is not referred to in these platform declarations, the protective policy of the government is clearly in the minds of those who formulated this and similar statements. The two great parties have differed essentially on the tariff issue, but the Republican Party has been influenced greatly by the farmers of the country with reference to tariff legislation. The Republican platform, for example, has pledged protection to various groups of farmers and stockmen by advocating a protective duty on wool, sugar, and other products produced by group interests of farmers.

The influence of the farm population also is revealed in the party platforms relating to other matters besides the tariff. Declarations on monopolies, the money question, railroad consolidation and regulation, and public land policies have indicated the increasing influence of the farmers in politics.

With the growing political power of the rural population in the West and the South since the Civil War, agrarian policies have received more attention on the part of each of the great political parties. While political promise has not always been synonymous with political performance, much has been accomplished through party action in behalf of the farm population.

The first agrarian party platform was that of the Farmers' Alliance in 1890. This is a significant date in the history of agrarianism in this country. In the preceding year the Farmers' Alliance held a convention in St. Louis. A plan of confederation with the Knights of Labor was formulated, and friendly and sympathetic overtures were made to the Greenback Party and the Single Tax Party. The platform adopted included demands upon Congress to pass laws preventing "the dealing in futures of all agricultural and mechanical production" and prohibiting the alien ownership of land. No candidates were chosen at this convention. The Farmers' Alliance had carried the plea of its membership directly to the court of public opinion. But the rise of another and larger political organization of farmers made the appeal of the Farmers' Alliance ineffective, and most of the farmers identified with the Alliance were absorbed in the Populists' or People's Party, which entered the political arena about the same time.

By this time great groups of farmers had reached the definite conclusion that the relief they sought could not be obtained through the old party organizations. Millions of farmers broke with the old political organizations and formed a new party. In the chapter that follows this departure in our American political history will be surveyed and its influence upon our national life will be appraised.

CHAPTER IX

AGRARIAN PARTIES AND THEIR POLICIES

The agrarian movements that started in the seventies were not primarily intended as political organizations. The Grange began as a conservative farm movement whose principal purposes were to promote the educational and social interests of its members. When the Grange changed its objective to economic and political reform, the organization began to decline. The Farmers' Alliance had much the same history. But the political influence of the Alliance became much greater than that ever attained by the Grange. However, the period of its political influence was very short. The Alliance exerted considerable influence in the election of 1890, but its decline was rapid after this date. The Alliance was the forerunner of the "People's Party," which became the first great farmers' political organization in this country.

The People's Agrarian Party

The People's Party was composed of the politically active farmers who had been identified with the Farmers' Alliance, the Grange, and the Green-

back Party. Economic conditions were quite favorable for the rise of a strong farmers' party at this time. Financial distress was widespread among the farm population. The prices of farm products were low, mortgages were being foreclosed on many farms, and the farmers were concerned about the causes of their financial distress. The new party naturally made great headway in the West and South, where this financial distress was greatest. Kansas, "the mother of radical movements," was the center of its greatest activity.

The first national convention of the Populist Party, or the National People's Party, was held at Omaha, Nebraska, July 2-5, 1892. The platform adopted at this convention summarized in vigorous language the principal grievances of the people. The dissatisfaction with the old parties was expressed as follows: "They have agreed together to ignore, in the coming campaign, every issue but one. They propose to drown the outcries of a plundered people with the uproar of a sham battle over the tariff, so that capitalists, corporations, national banks, rings, trusts, watered stock, the demonetization of silver, and the oppressions of the usurers may all be lost sight of. They propose to sacrifice our homes, lives, and children on the altar of Mammon; to destroy the multitude in order to secure corruption funds from the millionaires."

In another connection in the platform, the statement is made that "we meet in the midst of a nation

brought to the verge of moral, political, and material ruin." The charge is made that corruption is widespread, the newspapers are subsidized, "our homes covered with mortgages, labor impoverished, and the land concentrating in the hands of the capitalists." In most specific terms this platform gives expression to the farmers' grievances, as follows: "Our annual agricultural productions amount to billions of dollars in value, which must within a few weeks or months be exchanged for billions of dollars of commodities consumed in their production; the existing currency supply is wholly inadequate to make this exchange. The results are falling prices, the formation of combines and rings, the impoverishment of the producing class."

Other specific and, at the time, radical political policies advocated by the delegates to this convention included a demand for a graduated income tax, postal savings banks, public ownership of telegraph and telephone systems, initiative and referendum, currency reform, and the free and unlimited coinage of silver and gold at the ratio of sixteen to one. These political pronouncements clearly indicate that the farmers throughout a great section of the country had been transformed from the most conservative to the most radical element in the population of the country.

The Populist Party nominated James B. Weaver, of Iowa, for President, and James G. Field, of Virginia, for Vice President. General Weaver had been

the presidential candidate of the Greenback Party in 1880. He was an able speaker and made his appeal directly to the people. At the general election in 1892 the Populist candidate received over a million popular votes and twenty-two electoral votes. "For the only time," says Fred E. Haynes, "between 1860 and 1912, a third-party candidate had won a place in the electoral college. Of the million popular votes, over 800,000 were cast in the Western and Southern States."¹ The electoral votes for the Populist candidates were cast in the West and far West. Kansas cast ten, Colorado four, Idaho three, Nevada three, and one each was cast in Oregon and North Dakota.

The large popular vote cast for the People's Party candidates in 1892 made a profound impression on the political leaders of both of the old political parties and caused the greatest concern to politicians and especially to congressmen and legislators. The party had been ridiculed at first and the platform was denounced as socialistic. But the time had come when this new expression of agrarianism had to be taken seriously. It became increasingly evident immediately after the general election of 1892 that one or the other of the old parties would become sufficiently progressive to make an appeal to the voting strength of the Populist Party. The popular vote had been very close between Cleveland, the successful democratic candidate, and Ben-

¹ *Social Politics in the United States* (1924), Chap. VII, p. 165.

jamin Harrison, the republican candidate in 1892. Out of a total of over ten million votes cast, Cleveland's popular vote exceeded Harrison's by only 380,822. The farm party, therefore, clearly held the balance of power, and the recognition of this fact is revealed in the declaration of both parties in 1896 and 1900 and in much legislation, both state and national, that has been enacted since the People's Party first gave expression to its political faith in 1892.

General conditions throughout the country between 1892 and 1896 were favorable to the continued growth of this agrarian party. One of the most serious financial crises that the country ever experienced occurred in 1893. During this year 573 banks and trust companies failed.² Hundreds of commercial firms failed, trade and industry were disorganized, and business depression and unemployment produced some of the most serious strikes in our history. The great railroad strike of 1894 and Coxey's army reflected the widespread nature of the distress and the labor unrest. The farmers of the West and the Southwest were involved in the general depression that prevailed. But in addition to the general financial situation, farmers experienced a failure of the corn crop in 1894, and the decline in the European demand for wheat caused the price to fall to less than fifty cents per bushel.

² Bogart's *The Economic History of the United States*, Chap. XXVI, p. 399.

The repeal of the silver clause of the Sherman Act at this time aroused the antagonism of many people in the South and West who had come to believe that free coinage of silver would greatly relieve the financial distress. The price of silver had fallen. Western silver mines were closed and mining employees were thrown out of work. That the money question would become the predominant issue in the campaign of 1896 was quite evident. The People's Party had raised the money question in the platform of 1892, and it became the predominant issue in the party contests four years later.

The democratic platform of 1896 was clearly designed to absorb the strength of the Populist Party. The "Cross of Gold" speech of William J. Bryan committed this party to the free coinage of silver. The party platform declared that the act of demonetizing silver resulted, among other things, in the fall in the prices of farm products. Many of the leading economists of the country regarded this causal relationship as economic sophistry. But it had the effect intended by the political leaders of the Democratic Party. Bryan became the candidate of the Democratic Party, and the Populists, in their convention, instead of nominating an independent candidate, indorsed the candidate of the Democratic Party. The Republican Party was compelled to defend the gold standard. McKinley became the standard bearer of this party. In the general election Bryan received 6,287,352 votes, and McKinley

received 7,107,304. Bryan received 176 electoral votes, which included all the Southern States except Maryland, West Virginia, Kentucky, and most of the Western States. The Populist Party undoubtedly contributed greatly to the popular vote of W. J. Bryan, but its congressional strength had declined. In the Fifty-fifth Congress (1897) there were only five populist senators and twenty-one representatives.

The Populist Party maintained its independent political organization and participated in the national campaigns of 1900, 1904, and 1908. But the split in the party organization in 1900 further weakened the strength of the agrarian forces. The predominant element of the party again indorsed Bryan and supported the democratic ticket. The "middle-of-the-road" faction cast less than 50,000 votes in the general election of 1900. In 1904 the Populist Party nominated Thomas E. Watson, of Georgia, who polled 114,546 votes, but the party strength was about spent, and in 1908 the Populists polled only 29,146 votes. This was the last time the Populists held a national convention or participated as an independent organization in politics.

The history of the first agrarian political party in the United States was a short one. It was active as a political organization from 1892 to 1908—a period of only sixteen years. Its real influence in politics is confined even to a shorter period, but the actual accomplishments of the party cannot be

measured by its span of years or its numerical strength. A survey of the platform demands of this agrarian party, radical as they appeared when first advocated, reveals the fact that most of them have become a part of our national and state policies. Aside from the influence exerted by the Populist on national politics, the state organizations of this party exerted considerable influence on legislation in many of the states, especially in the Middle West and in the South. Since 1892 the farmer has become a predominant factor in party politics. His interests and wishes have been taken into account in the formulation of platform demands and in legislative programs of the national and state governments. Whatever political heresies may have been advocated by the Populist Party, there is no denying the fact that it has liberalized the thinking of the American people and promoted social justice by means of much remedial legislation.

The Nonpartisan League

Since the disappearance of the Populist Party in 1908 there has not been another separate agrarian party until the appearance of the Nonpartisan League in 1915. In fact, the Nonpartisan League has not become national and has not participated in national politics in the same way and to the same extent as the Populist Party did. The absorption of the Populist Party by the Democratic Party under the leadership of William J. Bryan had the effect of

liberalizing the policies of the latter party. But the development of the progressive movement in the Republican Party through the national leadership of Theodore Roosevelt caused some readjustment in the old political organization. The Grangers, the Greenbackers, and the Populists appeared to have culminated in the Progressive Party movement of 1912.³ However, the reforms advocated by the Progressive Party did not emphasize the essential agrarian policies that had been advocated by the Populists. In fact, "The Progressives combined the Hamilton system of nationalism with the Jeffersonian principle of popular rule."⁴

In an effort to make government more responsive to popular opinion, the Progressive Party advocated direct primaries, the initiative and referendum, the recall of executive and legislative officers and of judicial decisions. A comprehensive program of economic and social reform which included workmen's compensation, a minimum wage for women workers, and prohibition of child labor was also advocated. The farmer's problems were not emphasized in the platform of the Progressive Party. But the advocacy of a downward revision of the tariff, conservation of the nation's natural resources, and federal control of industrial corporations engaged in interstate commerce undoubtedly brought to this

³ See P. B. DeWitt's *The Progressive Movement*, Chap. IV.

⁴ Haworth's *The United States in Our Own Times*, Chap. XIX, p. 375.

party the sympathetic support of a large element of the farm population.

The issues were very clearly drawn between the conservative Republican Party and the Progressive Party, which was composed of the liberal Republicans throughout the country. Taft became the candidate of the Republican Party in opposition to Roosevelt, the candidate of the Progressive Party. Woodrow Wilson became the Democratic candidate. He advocated the "New Freedom," which represented an intermediate position between the ultra conservative position of the Republican organization and the extreme, liberal position of Roosevelt and his followers. The results of the election show that the electorate divided its strength between the two old party organizations on the basis of normal party alignments, except in the case of the farmers who were normally Republican. As a general thing they deserted Taft and the old Republican Party organization and voted for Roosevelt.

Wilson's election committed the nation to a program of sanely progressive legislation, including due consideration to economic and social problems affecting agriculture.

The Nonpartisan League movement had its rise, greatest expansion, and decline within the period comprehended by the administration of Woodrow Wilson. No other administration in American history has passed so much legislation directly favorable to the interests of farmers as that of President

Wilson. But the sections of the country where the Nonpartisan League had its beginning and most rapid development were principally concerned with economic problems that were regional rather than national. For that reason the agrarian program of the Wilson administration stimulated rather than neutralized the Nonpartisan League movement in the Middle West.

The conditions that gave rise to the Nonpartisan League were not very different from those that resulted in the Populist movement of an earlier period. The cause of unrest preceding each of these agrarian political movements was the belief that farmers were being exploited by corporate interests.

Agrarian protests of the early period resulted from unfair practices growing out of transportation policies of the railroads. The dissatisfaction that resulted in the organization of the Nonpartisan League was due to unfair methods of marketing grain and other farm products.

The Nonpartisan League had its beginning in North Dakota. Farmers had come to feel that they were the victims of many economic grievances. For a long time they believed that the system and practices of marketing their grain were unfair and unjust to the producers. They believed that bankers, merchants, and professional politicians were in league with the millers to exploit them.

The president and some of the professors of the State Agricultural College at Fargo were the first

to point out the unfair practices in the marketing of grain. The North Dakota Union of the American Society of Equity was organized to promote the co-operative effort among farmers in selling their products and buying supplies. A number of grain elevators were established on the "Equity Plan." A demand came from the farmers in 1915 to the State Legislature to establish state-owned elevators at the three terminal markets at Minneapolis, St. Paul, and Duluth. This question developed a bitter controversy and resulted in the legislature declining to act favorably on the request.

The farmers were sorely disappointed over their defeat in the legislature and resented the attitude of those who led the fight in opposition to their program. They became convinced that legislation favorable to the interests of farmers was impossible under the existing party organizations. The seriousness of the situation seemed to demand radical action, and the farmers had become thoroughly convinced of this fact. All that was needed was a leader who knew the problems of the farmer as they existed in North Dakota.

While the hearings of the farmers were being conducted before the legislative committees at Bismarck, the future leader of the League was present. He took no part in the arguments and at that time was not even a member of the North Dakota Union of the American Society of Equity whose representatives were advocating the building of state ter-

minal elevators. His name was Arthur C. Townley. He was thirty-five years of age at that time. He was reared on a western farm by native American parents. He was a high school graduate and for a short time taught a country school. He became a farmer in the extreme western part of North Dakota, and, by his reading and practical experience, became thoroughly familiar with the problems confronting the grain farmers of his state. However, having become completely discouraged over the outlook for agriculture in his state, he gave up his farm, became a plasterer's helper, and traveled in many parts of the Northwest as a laborer. After this experience he returned to North Dakota and engaged in flax farming, where he became reasonably prosperous.

This in brief is the background of the man who became the leader of the Nonpartisan League and for a time exerted great influence over the farmers and industrial workers of a large section of the Middle and Far West.

Before he left Bismarck, after the hearings before the legislative committees, Townley became definitely convinced that the farmers were ready to organize and that they would desert readily the old political parties and leaders if a program were formulated that would promise relief from existing conditions. He decided to assume leadership and to direct the policies of the proposed organization. A temporary office was established at Minot, a small

town in the northwestern part of the state. An executive committee was selected to formulate a program, which was as follows:

"State ownership of terminal elevators, flour mills, packing-houses, and cold-storage plants.

"State inspection of grain and grain dockage.

"Exemption of farm improvements from taxation.

"State hail insurance on the acreage tax basis.

"Rural credit banks operated at cost."

This program appealed to the farmers of North Dakota. It was not original with Townley and his associates, but it reflected the views of farm organizations of the state and seemed to offer a remedy for the economic evils with which the farmers were afflicted.

That it did appeal to the farmers is indicated by the rapid growth of the organization. Before the end of the summer of 1915 there were 10,000 members, and before the close of the year the number had increased to 26,000. In September, 1915, the "Nonpartisan Leader," the official paper of the organization, was established. This publication was circulated widely and was read eagerly by those who were interested in the new organization.

The Nonpartisan League was well organized and ready to enter upon its great task of gaining control of the state government in the general election of 1916. In March of that year the League delegates met in state convention at Fargo for the purpose of nominating candidates for state offices. Lynn J.

Frazier, a successful farmer and a graduate of the State University, was nominated for Governor. He was normally a Republican in politics and a pronounced prohibitionist.

The Nonpartisan League entered upon a vigorous campaign throughout the state. Candidates who were in sympathy with the League program were selected or endorsed. The opponent of the League candidate for Governor was a progressive Democrat who did not make an active campaign. The primaries were held on June 28, and, in spite of one of the worst thunderstorms in the history of the state, the farmers turned out to the polls and Frazier defeated his opponent by a substantial majority.

In the general election in November all the League candidates for state offices were elected. Eighty-one Leaguers out of a total of 113 members were elected to the lower house of the legislature, giving the organization the control of that body. Eighteen League candidates were elected to the Senate, which was a great victory, but the number did not insure the League's control of the upper house.

The legislature assembled in January, 1917, with the Nonpartisan League in complete control of the lower house, but it soon became evident that the Lieutenant Governor and a majority of the state senators were not in sympathy with the League program. A conflict arose between the lower house

and the Senate over the agrarian policies of the Nonpartisan League. It was decided soon that it would be necessary to amend the state constitution before the League program could be enacted into law. It was decided that in order to secure speedier action it would be better to frame a new constitution and submit it to the people than to submit amendments to the existing constitution. A new constitution was proposed, which was readily adopted by the House, but when it came up in the Senate it was defeated by a motion to postpone consideration of the measure indefinitely. This action was declared by the League to be "a betrayal of the farmers' interests and a defeat of the mandate of the people of the state, who have twice specifically voted in favor of state-owned terminal elevators and given the League candidates huge majorities in the 1916 election." In answer to this charge the opposition claimed that the proposal of a new constitution had not been an issue before the people in the preceding election.

While the Nonpartisan League suffered defeat in the supreme effort to submit a new constitution to the people, a number of bills were passed in the interest of the farmers. These enactments included a state grain grading act, a Torrens title registration law, a statute guaranteeing deposits in state banks, an act determining a rate of assessments on farm improvements and a law reducing freight rates. A

state highway commission was created also, and increased appropriations for good roads were provided. An appropriation also was authorized for the erection of a terminal elevator, but, due to differences in some of the details with reference to this bill between the House and Senate, Governor Frazier vetoed it. Thus the legislature ended without the agrarian program of the Nonpartisan League having accomplished the paramount aims of the organization.

The Nonpartisan League was completely successful in North Dakota in the campaign of 1918. Governor Frazier was reëlected, and the organization had a controlling majority in both houses of the legislature. The entire congressional delegation were members of the League and in complete sympathy with its purposes. The agrarian legislation passed in 1919 in North Dakota under the auspices of the League is as follows:

1. Provision was made for state-owned grain warehouses and elevators, and flour mills. Working capital was provided by a bond issue of five million dollars.

2. The Bank of North Dakota was created with initial capital of two million dollars, to be supplied by a bond issue.

3. Exemption of all farm improvements from taxation.

4. Creation of a hail insurance fund, which was provided from an acreage tax on all tillable land.

5. Establishment of the Home Building Associa-

tion of North Dakota for encouraging home ownership.

6. Control of state-owned financial and commercial industries was assigned to an industrial commission, consisting of the Governor, the Secretary of Agriculture, and the Attorney General.

In addition to this program of agrarian legislation, a number of other acts were passed that had been advocated previously by the People's Party. For example, a graduated tax upon incomes, the creation of a workman's compensation commission, provision for assessments against employers for the purpose of providing funds for sickness and accident insurance for industrial employees, and the regulation of the hours and conditions of labor for women, were included in the program of social legislation.

The Nonpartisan League in Other States

The Nonpartisan League attained its greatest success in North Dakota, but its influence was extended to a number of other states. However, in no other state was the League successful in gaining control of the machinery of the government.

The national activities of the organization began in January, 1917, and headquarters were opened in St. Paul. A vigorous campaign was inaugurated to enlarge the scope of activities of the League. The agrarian program of the League appealed to great numbers of farmers in Minnesota, South Dakota, Idaho, Colorado, Montana, and Nebraska. While

the political influence of the organization was felt more clearly in Minnesota than in any other state except North Dakota, in all of these states vigorous campaigns were conducted and candidates of the League contested elections with the old party organization candidates.

The League's influence was extended to many other states, but in most cases some other name was used for the agrarian organization. Great prejudice existed in many states against the Nonpartisan League, and farm leaders found it necessary to use some other name for the organization that was fostering its program. For example, in Texas the Farm Labor Organization was essentially the Nonpartisan League under a new name.

The influence of the League began to decline after the election successes in 1918 in North Dakota and after the agrarian legislative program had been adopted in the following year. In the primaries of 1920 an opposition ticket to the League was placed in the field by the more conservative people of North Dakota. While the League maintained its political supremacy, the results of the election indicated clearly that it was rapidly losing its influence over the electorate. The most notable political success of that year was the election of Dr. E. F. Ladd, President of the Agricultural College, to the United States Senate.

The financial distress that came to a number of the state-owned activities was the most significant

influence in destroying the confidence in the League program. There were a number of bank failures throughout the state. The packing house of the Society of Equity, located at Fargo, was compelled to suspend operations. The Bank of North Dakota experienced serious financial embarrassment. It became necessary to discontinue the construction of the grain elevator and flour mill at Grand Forks, and the operations of the home building and rural credit board were discontinued. The sudden decrease in the price of wheat and other farm products in the fall of 1920 had much to do with these financial reverses. The opponents of the League program made much of the financial distress of the state-owned agencies, which had the effect of destroying confidence in these enterprises. This result was inevitable.

The failure of the agrarian program in North Dakota is explained in the monthly letter of the National City Bank of New York, edition of April, 1921, as follows:

"The plan of making the State of North Dakota a self-contained unit financially was fundamentally erroneous. The State is mainly devoted to one industry, agriculture, and largely to one crop. Money is easy or tight in all localities at one and the same time. For this reason the State does not make a well-balanced economic or financial unit in itself. Moreover, North Dakota is a comparatively new State; it has always used outside capital to its ad-

vantage and can continue to do so. The idea of corraling all the loose funds at the capital of the State and of getting along without aid from outside was a mistake."

It is too early to forecast the permanent influence of the Nonpartisan League on agrarianism in the United States. Those who proclaimed heartily that the reverses that had come to the state-owned agrarian industries in North Dakota had been the cause of the failure of this farm movement, did not take account of some of the most fundamental aspects of the situation.

"An interesting movement," says Haynes, "which has aroused heated controversies, and has also raised the hopes of many people, is disappearing as have so many similar undertakings in the past. Townley's idea, a Ford car, and \$16 produced a remarkable organization. Just what its final influence may prove to be remains for the future to show us. Certainly, it emphasizes the value of leadership—leadership plus a sound constructive programme."⁵

While this interesting movement seems to be disappearing, as Professor Haynes suggests, it emphasizes much more than the mere value of leadership. It emphasizes the widespread dissatisfaction of the farm population of a large part of the country with the agricultural economic situation. The fact that some of the policies of the League were impracticable does not discredit the validity of the cause of

⁵ Haynes' *Third Party Movement*, Chap. VII, p. 170.

the agrarian protest in North Dakota and other western states, upon which the Nonpartisan League based its program of radical action.

The Farm Labor Party

The Farm Labor Party of 1924 was the immediate progeny of the Nonpartisan League. It is true that the League had its inception in the agrarian protest alone. But, as Herbert E. Gaston says, "Townley and his associates deliberately gave the movement of agrarian protest and revolt its bias of conciliation toward, and invitation to alliance with, organized labor."⁶ The officials of industrial labor have followed, until recent times, a very different course from that of the Farm Labor organization. The efforts to unite the interests of the farmers with those of industrial labor present an interesting phenomenon in social organization.

The Third Party movement, known as the Farm Labor Federation, was the result of a series of conferences and conventions held in Minnesota in March, 1924. The call of the first conference in St. Paul was for the purpose of bringing the officials of the principal Third Party group together to consider a program. The Farm Labor Party officials in Minnesota were assigned the leadership in calling a convention of progressive farming and labor elements for the purpose of considering a

⁶ See page 10, *The New Republic*, Vol. 40, No. 509 (September 3, 1924).

political program. This convention brought together a number of groups, some of which had very little in common. Differences arose with reference to procedure as well as to details in a program of action. But the predominant group consisted of the Farm Labor Party of North Dakota, which was a new movement designed to supersede the Nonpartisan League, and the Farm Labor Party officials of South Dakota, Minnesota, Nebraska, Montana, Washington, and Illinois.

There were two rival programs submitted for the consideration of the delegates. The Minnesota Farm Labor representatives favored the postponement of the organization of a national party until the presidential campaign of 1924 was over. Other groups favored the immediate formation of a national party.

As the views of these two conflicting groups could not be harmonized, it was necessary for the committee on organization to arrange a compromise which provided for the appointment of a national committee to serve through the campaign of 1924. This committee was given power to replace or withdraw candidates and to coöperate with other progressive groups in promoting the purposes of the Farm Labor element.

It is rather interesting to observe that in the formulation of the Third Party program of 1924 the farmers, on the whole, presented a more radical aspect than many of the labor groups. The reason

for this is not hard to understand when one recalls the radical utterances of some of the farm leaders. "One heard at St. Paul," says Robert Morss Lovett in *The New Republic* of July 2, 1924, "of a sheriff setting out from Green Bay, Wisconsin, to serve six foreclosure notices in one morning; of a farm in Minnesota worth \$40,000 sacrificed on a mortgage of \$5,000, by a family which has owned it for two generations; of a three weeks' trip through South Dakota in ramshackle cars, not one of which boasted a top or a windshield. Unemployment in the industrial centres is tragic enough, but it has alleviations which are absent in the case of a family with nine children evicted from their farm and adrift on the countryside. It is this condition which is responsible for the recruits to the Communists among the farmers. Combatted by the trade union organizations, the Communists have apparently made no great progress among industrial workers. The American labor movement is not revolutionary. How long this can be asserted of the farmers of the Northwest is, it must be admitted, a question."

The nomination of R. M. La Follette and B. K. Wheeler for President and Vice President, respectively, by the Third Party movement, gave deep concern to the candidates of the Democratic and Republican parties. The decline in the price of wheat in the fall of 1923 had created widespread dissatisfaction which had culminated in the Farm Labor movement of 1924. The Democratic and

Republican party leaders realized that the farm discontent was widespread. It was difficult at first to determine which party would be more seriously affected by the Third Party movement led by La Follette and Wheeler. Both of the candidates of the Farm Labor Party made a vigorous campaign, devoting most of their time to the states where the discontent among the farm population was most pronounced. But, as the campaign progressed, it became increasingly apparent that the anticipated strength of this latest political movement would not materialize. As the campaign neared its end, it was generally conceded that La Follette would probably carry only Wisconsin, Minnesota, and North Dakota. In fact, he carried only his home state of Wisconsin.

But the popular vote of the three candidates emphasized the fact that the discontent of the farm labor element was rather widespread and significant. Coolidge received 15,718,789 votes; Davis 8,378,962; and La Follette 4,822,319. It is not without significance that La Follette received more than half the number of votes of Davis. He received a surprisingly large popular vote in California, Illinois, Iowa, Minnesota, Nebraska, New York, Ohio, Pennsylvania, and Wisconsin.

Various views have been expressed as to the significance of the Third Party movement in 1924. Some contend that it marks the end of farm labor political agitation in this country. Others express the view that the farm labor forces of the country

have come to see that political action does not offer the most satisfactory solution to their problems. There are still others who contend that the farm labor forces will profit by the mistakes of 1924, and will renew their political activities with greater success in future years.

An editorial in the *Washington Post*, under date of Sunday, November 9, 1924, seems inclined toward the latter view. "Although the Radical movement did not attain the proportions anticipated, it still continues as a force to be reckoned with in the realignment of the old parties. . . .

"This political reunion of the farmer and the business world is by far the most important, though not the most conspicuous, issue of the day. It has passed the stage of argument. Its only solution now lies in compromise. The farmers realize too definitely the nature of the difficulty to be cozened or treated as 'hicks.' Nor will they be quieted, certainly not permanently, by the accident of high prices in a presidential year."

This editorial asserts further that "business must meet agriculture half way. It must play fair and square. The West must be brought into the councils of the party and policies be agreed upon which are just to all sections and interests. The East should recognize that its own industrial outposts scattered over the rest of the country are not representative of Western sentiment nor similar in interest to the districts in which they happen to be

located. While the political leadership of the farming states may remain somewhat confused, owing to the rapidity with which this schism has arisen, the economic leadership consisting of the heads of the Farmers' organizations are very definite and unanimous in their views."

The farmers of the country have been responsible largely for all of the Third Party movements that have become significant in our political history. Their greatest influence, politically speaking, was exerted by the Populist Party. The Nonpartisan League did not become a national party movement to any appreciable extent, but its political influence was reflected in the elections of several states, and in North Dakota it probably has made a permanent contribution to the political policies of the state government.

It is too early to appraise the political significance of the Farm Labor movement. Its future will probably depend upon the quality of its leadership and the agricultural economic situation. The citizenship of the country, however, will make a mistake to judge these third party agrarian movements merely by the popular or electoral votes they received or the number of candidates they elected to office. Deeper significance of the influence of these parties is to be found in their effects upon the two predominant parties. They have had the effect of stimulating the progressive elements in the Democratic and Republican parties, and forcing the

leaders of these parties to advocate political measures, economic policies, and social programs of great importance to the masses of the people. Whatever political heresies these parties may have included in their platforms, they should be given credit for prodding the conservative and reactionary elements in the old political organizations out of their mental lethargy.

CHAPTER X

THE ECONOMIC PROTEST AND THE COÖPERATIVE MOVEMENT

Agrarianism reached its culmination in the co-operative marketing movement that has developed since the World War. This latest expression of rural discontent did not come as a sudden and spontaneous outburst on the part of the farm population. The immediate cause of rural unrest was the financial depression that swept over the country in 1919 and 1920. But the rapidity with which the coöperative movement spread, and the quality of leadership it produced, indicate that it was the culmination of social and economic influences that have been seeking for a long time a logical and effective form of expression.

"What to many seemed a sudden independent outburst," says Kile, "was in fact but a phase in a long, slow growth. . . . It is but the culmination and latest expression of a crusade which had its inception back in the dark days following the Civil War and which with varying degrees of vigor and success ever since has pushed forward the farmers' fight for free and equal privilege and opportunity.

"True, the movement suffered a severe setback following the collapse of the Grange in 1875-76, and again with the disintegration of the Farmers' Alliance in 1890-91. For a period of many years following this latter disaster the movement found expression only in a whirlpool of political 'isms' without much semblance of coherence or unity. Yet throughout it all the same impelling motive has existed. . . .

"The story of the rise and decline of the Grange, the Farmers' Alliance, the Agricultural Wheel, the Brothers of Freedom, the Northwestern Alliance, the Farmers' Union, the Farmers' and Laborers' Union, the Equity, and the Gleaners, together with the story of the farmers' attempt at independent politics as exemplified by Greenbackism, populism, and bimetalism, form a most interesting chapter in the development of our economic and political life and contain vivid lessons which our agricultural no less than our political leaders of today may well stop and ponder." ¹

Coöperative Marketing on a Commodity Basis

The coöperative marketing movement is the result of new policies recently put into force by the federal government and a new type of farm organization that has developed through government encouragement. The passage of the Smith-Lever Act

¹ Orville Merton Kile's *The Farm Bureau Movement* (1921), Chap. I, pp. 3 and 4.

by Congress in 1914 provided for a comprehensive program of agricultural extension. This important agrarian measure gave the stamp of approval to farmers' coöperative demonstration work, which had been previously fostered by Dr. Seaman A. Knapp. The Extension specialist and county agricultural agent began in 1914 to disseminate the scientific agricultural information that had become available through the research activities of the experiment stations throughout the country. When the hostilities began in 1917 the number of county agricultural agents was increased greatly and their services were utilized to aid in stimulating agricultural production. By the time the War came to an end, the Extension Service organization had become organized thoroughly and the county agent had become a recognized factor in the promotion of agricultural endeavor.

In the meantime, county and state farm bureaus were being formed in several states. It is significant that this organization entered upon its first national phase when representatives from twelve states gathered at Ithaca, New York, on February 12, 1919, to consider the advisability and desirability of uniting in a national federation. As a result of this meeting it was decided to postpone final action for the present, but a call was issued for another meeting to be held at Chicago on November 12 and 13 for the purpose of forming a national association. In the intervening months vigorous campaigns were conducted in a number of states where

farm bureau organizations were established and state federations of county farm bureaus were formed. The date for this meeting was opportune. The prices of farm products had fallen throughout the country, the purchasing power of farmers had greatly declined, and the Nation was in the midst of a far-reaching financial depression.

Some of the addresses made at the Chicago meeting may be regarded rightfully as important contributions to the agrarian literature of this country. Harvey J. Sconce, who was president of the Illinois Bureau at the time, said: "It is our duty in creating this organization to avoid any policy that will align organized farmers with the radicals of other organizations. The policy should be thoroughly American in every respect,—a constructive organization instead of a destructive organization.

"We shall organize, not to fight any one or to antagonize, but to coöperate and to construct, managing the affairs of agriculture in a broad business manner, following the policy that most of the ills complained of by the individual will disappear when business is done in business ways.

"In order to do the business involved in a national agricultural association it will be necessary that this association be represented in every place where the business of the farmer is taken into consideration.

"The great idea should be to keep control of our food products until they get closer to the ultimate consumer than they do at the present time, thereby not only returning to us profit on the article pro-

duced, but serving humanity in a more efficient manner by giving the consumer an article of quality at no increased cost."

Mr. Strivings, of New York, said: "Farmers must get past their own gateways and get out and see what is going on in the world. We must put agriculture into proper relationship with the rest of the world."

J. R. Howard, of Iowa, declared: "I stand as a rock against radicalism, but I believe in an organization which strikes out from the shoulder." ²

These brief quotations from some of the leaders who attended the Chicago meeting illustrate the point of view of large numbers of farmers throughout the country at that particular time. There was no thought of radical action or affiliation with any group with radical tendencies.

The effect of the war on American agriculture was the stimulation of production. But with the restoration of peace conditions throughout the world and the low purchasing power in foreign markets had come a precipitous decline in the prices of farm products. This situation had caused the farmers to feel that production was not a serious problem, but it had become apparent that the marketing of farm products was one of the most essential determining factors in agricultural enterprise. Farmers everywhere had come to feel that

²See Kile's *op. cit.*, Chap. IX, pp. 116, 117 and 118.

they had neglected the business aspect of their vocation. They were determined to devise ways and means to exercise larger control over the products of their farms until they had passed into the hands of the consumer.

The Program of the Coöperatives

With this idea in mind, the Farm Bureau Federation entered upon an extensive program of education and legislation with reference to a better system of marketing and distributing farm products. The United States Department of Agriculture and the Extension Service organizations in the several states encouraged this movement in every appropriate manner possible. The national and state farm bureau federations assumed leadership in the nationwide movement to market farm products more profitably. The economic program of the Farm Bureau Federation was outlined in the following comprehensive pronouncements:

“1. To extend coöperative marketing of farm crops to the point in the distribution system that the maximum benefits are secured for the producer, and, incidentally, for the consumer.

“2. To limit the profits and reduce the costs of distribution in all lines not handled coöperatively.

“3. To so estimate the effective world supply of any farm product and to so regulate the flow to

market as to eliminate sharp and extreme price fluctuations.

"4. To establish new foreign markets for surplus American farm products.

"5. To provide cheaper sources of fertilizer and more economical means of production."

As a means of carrying out this comprehensive program, coöperative marketing committees were appointed to consider methods of merchandising agricultural commodities. For example, the Farmers' Grain Marketing Committee of seventeen, the Farmers' Live Stock Marketing Committee of fifteen, and the Farmers' Dairy Products Marketing Committee of eleven, were organized. Since the appointment of these committees by the Farm Bureau Federation, a number of other commodity marketing committees have been appointed from the several state farm bureau federations to promote the marketing of particular farm crops.

The Growth of the Coöperative Movement

The significance of the coöperative marketing movement can best be indicated by some reference to the number of commodity marketing organizations, the aggregate membership, the geographical area covered, the aggregate volume of business, and the nature and extent of legislation passed by Congress and the several states to encourage, promote, and protect the business of the coöperative associations.

It is scarcely necessary to observe that coöperative effort on the part of farmers did not originate with the economic depression of 1919. Farm organizations had been fostering coöperation in various ways for many years. The pioneer farm organizations encouraged the combined purchasing of supplies long before this plan was extended to the marketing of farm products. But it should be observed that commodity marketing had a substantial beginning before the war. The coöperative movement in France, Ireland, and Denmark had been studied by a number of American economists, farm leaders, business and public men. The results of coöperative efforts in these countries were made known to the American farmers through the press and public addresses. The favorable reports that had come to this country had interested greatly the farm producers in many sections.

Previous to 1914 the citrus growers of Florida and California had demonstrated the advantages of coöperative efforts in selling their products. Cotton also had been marketed successfully on a coöperative basis by a group of farmers at Scott, Arkansas. Here and there coöperative creameries had been established. Poultry and vegetable associations were being operated successfully on a small scale in various parts of the country.³

But previous to the war this system of marketing

³ See Clarence Poe's *How Farmers Coöperate and Double Profits* (1915), Chaps. 14, 15 and 16.

had not been taken very seriously by many farmers. The impression prevailed that this plan of distributing farm products was practical only for perishable products. The idea was not widely held that it was feasible to dispose of such products as cotton, grain, and live stock in this way. It may be said, therefore, that while coöperative marketing had a beginning in this country previous to the war, the great development of this plan has come since 1919. The extent of the movement since that time constitutes a unique chapter in the history of agricultural progress.

The Bureau of Agricultural Economics of the U. S. Department of Agriculture has recently made a study of the movement in this country. According to the report of the Bureau, there were 2,700,000 farmers in 1926 who were members of coöperative marketing organizations. The distribution of commodity marketing organizations and the number included in their membership have been influenced greatly by the importance of the farm crops produced and the extent of the financial distress the farmers have experienced in marketing their particular crops. For example, 46 per cent of the farm membership in coöperative marketing organizations reside in the twelve north-central states. The southern states report 913,000; the west north-central states, 717,000; the east north-central states, 440,000; the south Atlantic states, 329,000; the east south-central states, 320,000; the west south-central,

264,000; the Pacific states, 164,000; the Middle Atlantic states, 140,000; the mountain states, 66,000; and the north Atlantic states, only 55,000.

The geographical distribution of coöperative associations and the extent of the business conducted by them are indicated somewhat by the membership of the National Council of Farmers' Coöperative Marketing Associations. There are thirty-three associations affiliated with the National Council. These include such organizations as the Arkansas Rice Growers' Coöperative Association, the Atlantic Coast Poultry Producers' Association, the Burley Tobacco Growers' Coöperative Association, the California Prune and Apricot Growers' Association, the Florida Citrus Exchange, the Georgia Peanut Growers' Coöperative Association, the Maine Potato Growers' Association, the Pacific Coöperative Wool Growers, the Sowega Melon Growers' Exchange in Georgia, the Texas Farm Bureau Cotton Association, and the Texas Wheat Growers' Association. There are more than 600,000 farm producers identified with the thirty-three coöperative associations which are affiliated with the National Council of Farmers' Coöperative Marketing Association. As indicated by the location of these associations and the products that are being marketed by them, this movement is nation-wide. They are in more or less successful operation from Texas to Maine, and from the Pacific coast to the Atlantic seaboard.

The geographical distribution and the extent of

the business conducted by some of these associations are illustrated by the following figures:

The American Cranberry Exchange, which is one of the oldest commodity marketing associations in the country, did a business of \$5,800,000 in 1922. The Wisconsin Cheese Producers' Association sold over 44,600,000 pounds of cheese in 1923. The California Fruit Growers' Exchange, a world famous co-operative organization, sold more than \$55,000,000 worth of citrus fruit in 1923. And the Sun Maid Raisin Growers of California handled for producers 159,262 tons of raisins in one year, with a gross sale exceeding \$43,000,000. The aggregate figures for the nine coöperative cotton associations are not available, but the business conducted by them has been increasing rapidly since 1922, and today represents one of the largest financial business enterprises of modern times.

There are seven relatively large associations selling tobacco on a commodity basis. Six of these organizations sold 602,000 pounds of tobacco in one year, which represents a total business of \$129,860,000. This is approximately half of the financial value of the tobacco crop of the United States.

The twenty-five coöperative live stock selling associations did a business in 1923 which amounted to \$193,282,000. One of these organizations alone conducted sales which totaled \$24,500,000.

The farm commodities about which the coöperative marketing movements have centered include

wheat, cotton, tobacco, live stock, fruits, rice, wool, dairy products, peanuts, and vegetable products of all kinds. In fact, there is scarcely a marketable farm product that is not now being sold somewhere through coöperative associations. Experience has demonstrated that both perishable and non-perishable products can be marketed successfully on a co-operative basis. In fact, the nature of the product is a less important consideration than the available quantity and the territorial scope of the market. For example, it requires a larger amount of capital to finance a coöperative cotton or wheat association than a vegetable association. These products are sold in both local and foreign markets. These factors present problems that do not generally exist for more perishable commodities produced on the farms. It is a fact of great importance that all kinds of commodities are being marketed coöperatively and that the directorates of the associations have been reasonably successful in adapting their methods of marketing to the particular commodity they are charged with disposing of to the consuming public.

Hostility to the Coöperative Marketing Movement

That hostility and opposition to the coöperative selling of farm products would develop was inevitable. The plan involved radical changes in financial policy. It vitally affected the interest of middlemen whose influence in many cases was very great.

Coöperative marketing also ran counter to well established traditional policies of marketing and distributing farm products that affected directly or indirectly great numbers of people. It should be observed, however, that it has been surprising how much sympathetic support and assistance this movement has received from bankers and business men, and how ineffective much of the opposition has been in retarding the progress of the movement.

Many conscientious people have opposed the coöperative marketing movement, or have been skeptical of its beneficial results. Some of its most ardent supporters are somewhat to blame for some of the adverse opinions and criticisms that have been directed against the movement. Exaggerated claims have been made and possible benefits have been promised that were not valid. All fallacious arguments that have been presented by enthusiastic friends of this movement have been seized upon by competent authorities and used for the purpose of creating prejudice against the movement. For example, in the preliminary propaganda much was heard about the folly of "dumping" and the wisdom of "orderly" marketing.

Professor James E. Boyle has pointed out repeatedly that this argument has no validity when applied to wheat. In an address before Section F of the British Association at Toronto on August 13, 1924, he said: "It is true we move one-half our wheat crop to market within ninety days of harvest.

This is exactly as it should be. For wheat is a world crop, and the flow of the United States stream of wheat must be coördinated with the flow of wheat into export from the competing export countries." ⁴ The economic fallacy in the "orderly" marketing, the "merchandising versus dumping" argument has been pointed out with reference to cotton and other products. Statistical data will not often support this argument if a reasonably long period of time is considered as a basis.

It has been charged frequently that the purpose of coöperative marketing is to control the price of the commodity. Adverse critics freely quote advocates of this plan to substantiate this charge. Leaders of this movement speak freely of increasing "basic price levels".

Aaron Sapiro has used this phrase repeatedly in his vigorous addresses in advocacy of coöperative marketing. Speaking before the Indiana Wheat Marketing Conference, in Indianapolis, February 18, 1924, he said: "When we talk of coöperative marketing, we say this: We are interested in raising the basic level of the price of wheat".

Mr. W. H. Settle, of Indiana, a member of the Organization Committee of the Indiana Wheat Pool, in a pamphlet entitled *Merchandise Your Wheat*, says: "Everybody sets a price on what he sells except the farmer. Why shouldn't we have a

⁴See *Economic Journal* of the Royal Economic Society for March, 1925, p. 25.

voice in naming the price on the products we sell? Let's get control of the flow of the wheat crop through our own association and be able to merchandise it in a way that will let us have a voice in making prices. Saving a few of the handling charges would be merely saving pennies and letting the dollars go by. What we have got to do is to handle our crop so that it is worth more in comparison with what we have to buy. We want to increase the price level of wheat in comparison with the manufactured goods and living expenses."

Such statements as these have been responsible for the charge that price fixing and monopoly control are the fundamental purposes of the coöperative marketing movement.

It is claimed that the system of pooling is designed to effect a farmers' trust, and that its essential aim and outstanding characteristics are not different from the old industrial trusts, most of which have been outlawed by the federal government. Is this criticism just? Does it reflect the economic motives of those who have identified themselves with the coöperative marketing associations? These are questions that deserve to be answered and answered very definitely by the friends of the coöperative marketing movement. It is only fair to say that many farmers have been actuated by the motives of monopoly and price fixing. But those who have thought through the economics of the plan have seen clearly and have

taught that the essential aim of coöperative commodity marketing is merely to give those who produce the products some voice in securing a *fair price* instead of providing means of monopolizing the supply of the product and controlling the price by trust methods.

Dr. Benjamin M. Anderson makes a wise observation on this point when he says: "Coöperative marketing is to be commended when it accomplishes technical improvements in the marketing process, but condemned when its purpose is the control of prices through speculation and holding."⁵ The experience of the Farmers' Raisin Growers' Association demonstrates the peril of monopolistic tendencies in coöperative marketing. This organization undertook to dispose of an over-supply of raisins at an arbitrarily fixed price. The consumers of raisins refused to accept the surplus at an excessive price. The organization failed with liabilities of \$18,000,000. The raisin growers of California profited by this bitter experience. They reorganized on a real coöperative basis in 1923. In the official organ, *The Association Grower*, issue of March, 1923, the statement is made that "the future returns of the farmer can be increased either by savings in the cost of production or savings in the cost of distribution." This would indicate that the raisin growers had recognized the fundamental justification for co-

⁵ See *Economic Bulletin* of the Chase National Bank, Vol. III, No. 3 (August 10, 1923).

operative marketing associations. All of these associations must learn sooner or later that the economic production and distribution of commodities is the aim in every program of commodity marketing on a coöperative basis.

Much has been said about the operation of laws of supply and demand in relation to the coöperative marketing movement. There has been much misunderstanding as to the meaning and operation of this economic principle. Henderson has formulated the laws of supply and demand as follows:

"1. When, at the price ruling, demand exceeds supply, the price tends to rise. Conversely when supply exceeds demand the price tends to fall.

"2. A rise in price tends, sooner or later, to decrease demand and to increase supply. Conversely a fall in price tends, sooner or later, to increase demand and to decrease supply.

"3. Price tends to the level at which demand is equal to supply." ⁶

The validity of these laws is accepted generally, but the farmers believe that the price determination on the basis of the free operation of these laws does not usually exist. Governor Frank O. Lowden, a notable advocate of coöperative marketing, in an address before the National Coöperative Marketing Conference in Washington in January, 1925, said:

⁶*Supply and Demand* (The Cambridge Economic Handbooks Series), Chap. II, pp. 18 and 19.

"Now, people talk about the law of supply and demand fixing the price; therefore the farmer is foolish when he assumes to do it. They ignore the practice that obtains everywhere else. In other industries they even in many cases insist upon controlling the retail price even after the commodity has left their hands and gone into the hands of the retail merchant, in the interest of stability of their industry, whatever it may be. . . . In all other industries the gentlemen who produce insist that their lips shall be the ones which speak the word first. Under present agricultural conditions, the farmer does not dare even to frame a price in his own mind until he has consulted the local dealer in the town."

In another connection in the same address, Governor Lowden, after explaining the difference between "normal price" and "market price," said: "Everyone agrees that in making the market price there must be equality of conditions on the two sides and equality of information, or that price will not reflect or even approximate the normal price. Is there any such equality under present conditions? In other words, what of the isolated individual farmer situated a thousand miles from the market? Is he on terms of equality in arriving at a just market price with the great centralized, powerful organizations, with their representatives scattered all over the world, using the wires hour by hour and com-

municating every change in conditions which might affect the price in the end? No, there can be no such equality for the cotton growers, corn growers and pig growers unless the farmers and producers organize on commodity lines."

These quotations bring out one of the essentially valid arguments for coöperative marketing. The farmer is not expecting to set aside the laws of supply and demand. On the other hand, this plan of marketing farm products is one of the reasonable ways of giving free play to these laws. Everyone knows that under the *laissez faire* policy that has prevailed in the past the price paid to farmers in the primary markets by middlemen has varied greatly. For example, the market price paid to individual farmers in local markets on the same day and on the same basis of grade and staple of cotton is far from uniform. Often the prices paid for cotton have been from 150 to 200 points under New Orleans quotations. To produce uniformity of the price level, to decrease the cost of the marketing process, and to provide efficient machinery for conducting the business of farmers are the outstanding valid arguments for coöperative marketing.

While there may be a difference of opinion with reference to details in the organization of coöperative marketing and while it is undoubtedly true that some commodity marketing organizations will fail because of inefficient business leadership and organization policies, it seems reasonably certain that

farmers in the future will market their products in increasing numbers through coöperative associations.

"In the past farmers have known all too little," says O. D. Foster, in a very illuminating article on this subject, "about controlling and solving their problems in business fashion. The farmer is as much a manufacturer as the man who owns a factory and the marketing of farm products is as much of a commercial venture as the selling of hoisting cranes or any other commodity and requires just as high a degree of intelligence as any other business enterprise. The farmer has been criticized for his lack of knowledge of marketing. The problems which crowd him are of an entirely different nature and he does not have any opportunity to learn the demands of the trade. One thing which farmers must be made to realize is that consideration of the marketing problem of any given crop should begin prior to the time when they plant their seed, and that they have performed only half of the functions of production when they have harvested their crops. . . .

"There can be little question of the value to the farmer in coöperative action. These organizations conducted along business methods have given agricultural marketing standing in the business world. They mark a step forward in the world of agriculture for they raise the standard of production and secure the economies which come from large scale organization and coöperation. They wield enormous influ-

ence for they can change for the better the entire production methods of an industry.”⁷

Legislation Relating to Coöperative Marketing

Secretary Jardine, of the United States Department of Agriculture, has recently been quoted as saying: “Ninety per cent of the farmer’s trouble can be solved by himself and himself alone, and no more than ten per cent by legislation.” It is generally recognized that the farmer’s problems cannot be solved by legislative economic panaceas. It is important to recognize that the farmer is a business man and that he has the same financial problems as those engaged in other kinds of business enterprise. But the changing aspects of economic life have required some legislation in the interest of all kinds of business activities. Agriculture is no exception, and from time to time it has been necessary for farmers to seek remedial or protective legislation in the interest of their business.

In order to make the program of coöperative marketing effective, it is necessary for the individual farmers to enter into contract with the commodity associations. The marketing policies of the associations themselves raise important legal questions. It therefore became necessary to secure legislation validating the form of contracts and giving legal

⁷ *Why Coöperative Marketing Is a Big Issue*, in “Trade Winds,” a financial publication of the Union Trust Company, of Cleveland, issue of June, 1925.

protection to the associations. The Standard Marketing Law prepared by Aaron Sapiro of California was designed to meet fully all the legal requirements and to give effectiveness to the sales policies of the commodity associations. Texas was the first state to pass this law, and since that time (1921) thirty-five states have enacted a statute similar to that of Texas. This is in itself a remarkable achievement. It indicates the widespread influence exerted by farmers in behalf of their own economic interests. It is a tribute to the gifted author of the original law that this act has been attacked repeatedly in the courts since 1921 and its validity has been uniformly upheld.

Interest in coöperative marketing has been reflected in a mass of legislation that has been proposed recently by Congress to aid in the solution of the farmer's economic problems. Much of this proposed legislation is economically unwise, unsound in policy, and unnecessary as an aid to more efficient and successful commodity marketing. On the whole, it has been inspired by good intentions and supported by those who sincerely desire to improve the economic status of the farm population.

A brief summary of three of the bills proposed in the sixty-eighth Congress will indicate the trend of this proposed legislation.

The McNary-Haugen bill was intended as an emergency measure to relieve the distress of the wheat farmers in 1923. This bill proposed to

establish a government corporation to fix a ratio price for certain commodities. This corporation was given broad powers by the government not only to fix a ratio price for wheat on the open market but to buy the necessary amount of wheat to sustain the price agreed upon. The surplus wheat was to be bought and disposed of in any market of the world and at any price it could secure. This bill was obviously designed to establish the price of wheat, and the effect of it would have been to subsidize the industry.

The Norris-Sinclair bill provided for the formation of a corporation to be called the *Farmers' and Consumers' Financing Corporation*, with a hundred million dollar capital and a right to issue bonds to the extent of five times that amount. This proposed corporation was to be owned and controlled completely by the federal government. It was to have the power to erect warehouses, to buy and sell farm products, and perform all of the functions of a great business corporation. The idea of this remarkable proposal was to sustain a reasonably high price for farm products and to insure a stabilized market for the farm.

The proposed Tinchel bill was very different from the other two to which reference has been made. This bill proposed to establish a division of coöperative marketing in the United States Department of Agriculture. This department was to establish standards of classification, provide a system of in-

spection and certification, assist coöperative associations in carrying on their business, help in installing records, and perform other services for the encouragement of coöperative marketing associations.

It is not surprising that the farm leaders identified with the coöperative marketing movement have opposed vigorously both the Norris-Sinclair and the McNary-Haugen bills. In criticising this legislation, Aaron Sapiro, an authority on the law of the subject, said: "The farmer does not need a crutch. What he needs is a light, and let the government give him a light instead of trying to make him lean on a crutch." In another connection, he said: "I am against the United States government trying to do any price fixing. I am against the United States government trying to do any fancy thing to dispose of surplus and hurt wheat growers in any other land just so as to make the consumer of America pay an artificial price for any farm product. I am for the farmers running their own business. There is not any more reason why we need a crutch than the steel industry or any other outside industry needs a crutch. They take care of themselves. We can do just as much for ourselves if we will learn proper organization. What the farmer needs is not price-fixing by the government; he needs coöperative marketing organization with the definite encouragement of the United States government. Instead of the government giving money and soaking the consumers of America, let the government devote

one per cent of that energy to really helping the farmers through coöperative marketing associations, and they will solve their wheat problem and other problems in less than five or seven years."

The Sixty-eighth Congress adjourned without acting favorably upon either of the proposed bills for the relief of agriculture. When the Sixty-ninth Congress convened a renewed effort was made to secure the passage of one or more of these legislative proposals. Most of these measures were redrafts of bills that had been submitted previously to Congress.

Of the numerous bills introduced only three received serious consideration. The first was the Curtis-Aswell Bill, which had for its purpose the organization with governmental aid of a nationwide coöperative association. This bill provided for the coördination of all existing coöperative marketing associations of the country, and it further provided for the encouragement of the organization of additional coöperative associations where they were found to be needed. This bill failed to provide adequately for marketing the surplus farm crops, and it is probable that this was the reason it did not receive more favorable consideration.

The second farm relief bill was known as the Tincher Bill. This bill was designed to promote commodity marketing by lending the coöperative associations money at low rates of interest. It was reported that this was an administrative measure

and that it was supported by President Coolidge and Secretary Jardine. Two criticisms were directed against it by farm papers and farm organizations throughout the country. It was contended in the first place that it did not go to the root of the farm problem because there was no real need for more cheap money to finance commodity co-operative enterprises. In the second place, the bill failed to offer a satisfactory remedy for stabilizing market conditions. In other words, the same criticism was directed at the Tincher Bill that applied to the Curtis-Aswell Bill, namely, that it did not provide a satisfactory method for marketing surplus farm products.

For these reasons the friends of farm relief in Congress turned to the Haugen Bill, otherwise known as the Farm Surplus Bill, which was the only one of the three that really attempted a solution of the surplus problem. This bill was similar to the McNary-Haugen Bill that was offered as an emergency measure in the preceding Congress. It provided in brief for four things:

- (1) The establishment in the Department of Agriculture of "A Division of Coöperative Marketing" for the encouragement and assistance of commodity coöperative associations.

- (2) The creation of a "Federal Farm Advisory Council" to consist of five men from each of the twelve federal land bank districts, four to be nominated by farmers' marketing organizations and

the fifth to be appointed by the Secretary of Agriculture. The bill provided that this body should meet twice a year and formulate recommendations as to policies for farm relief.

(3) The establishment of a "Federal Farm Board," to be composed of twelve men, one from each of the twelve federal land bank districts, and appointed by the President of the United States from the Federal Farm Advisory Council, and employed for their entire time to study the problems and needs of the American farmer.

(4) The payment of an equalization fee or producers' tax on basic agricultural commodities, the amount of the fee or tax to be determined by the Federal Farm Board, to be used for purchasing, storing, and selling surplus crops.

(5) An appropriation of \$250,000,000 was provided for assisting coöperative marketing associations in financing and selling farm products.

This bill was known in the Senate as the McNary Bill. Both bills were finally defeated after several days of earnest debate in the House and Senate. Party lines were broken down and both Democrats and Republicans voted for and against these bills. The Haugen Bill was defeated in the House by a vote of 215 to 170. The McNary Bill was defeated in the Senate by a vote of 45 to 39. In both houses these bills were supported by a coalition of western and southern congressmen and opposed by a combination of eastern representatives with the support

of members from other sections of the country who were opposed to the subsidy feature of the measure.

The press comment on the defeat of these bills is a fairly accurate expression of popular sentiment. The *Kansas City Star*, which is read widely throughout a section where farm discontent has been most in evidence, discusses this subject editorially under the title "Inviting a Farm Revolt." After directing attention to the fact that the failure of Congress to pass a farm relief measure does not settle the issue, the editorial proceeds to raise this question: "Does Washington want a farm revolt on its hands as it had in the old Populist days? It is inviting such a revolt if it refuses to recognize the farmers' relief interests."

"There is but one thing that Congress could do," says the *Dallas News* editorially, in commenting on the defeat of this legislation, "which would assuredly contribute to the betterment of the agricultural industry that all men desire. It could reduce the rates of the most highly protective tariff measures this country has ever known. One effect of this would be to enhance the purchasing power of the products of the farm. Another would be to make foreign markets more absorptive of our farm products. For it is with their own manufactured products that most foreign peoples must buy of the United States, particularly European people."

Mark Sullivan, in a syndicated article, expressed a similar view. "The cornbelt proposal," he says,

"was to give to the farmer the same degree and security of tariff protection as the manufacturer enjoys. . . . The corn belt Republicans made an alliance with the Democrats to out-tariff the tariff, and that maneuver has failed. The only thing left to everybody who wants to do something for the farmer is to attack the tariff and to revise it downward. All their earlier alternatives about raising the farmer on stilts as high as tariff stilts, upon which the manufacturers stride, have failed. The other alternatives, to reduce the heights of the stilts on which the manufacturers walk, is now in front of them. The proposal to raise the prices of farm products to parity with manufactured products has been defeated. There is left only the proposal to reduce the price of what the farmer is compelled to buy from the manufacturer by reducing the protective tariff."

The widespread dissatisfaction through the West over the failure of Congress to pass the McNary-Haugen bill resulted in the Senate renewing its efforts to pass a farm-relief measure. A few days before final adjournment of the session in July the Senate passed the Coöperative Marketing bill, known as the Tincher bill, which previously had passed the House. Two important amendments were offered to this bill while it was under consideration. The Fess amendment proposed to create a revolving fund of 100 million dollars to be

offered as loans to coöperative marketing groups. The Robinson amendment proposed the establishment of a 200 million dollar farm Export Corporation with authority to make loans "to any farmers, ranchers, or planters acting separately or in coöperative associations" for the purpose of enabling them to dispose of surplus crops. Both amendments were defeated before the final vote was taken on the original bill. The passage of the Coöperative Marketing bill by the Senate ended the longest debate and the most thorough consideration that Congress has ever given to proposed farm legislation.

Those who favored the equalization fee principle of the McNary-Haugen bill were disappointed. It is claimed that the net result of congressional action was the creation of a division of coöperative marketing in the Department of Agriculture. The act only gives legal sanction to the work of the Bureau of Agricultural Economics, which has been encouraging commodity marketing under executive order for several years. This legislation, however, does insure more adequate funds for this purpose, and this probably is the only benefit that can be derived from this latest effort at farm relief.

There seems to be some danger at the present time that agricultural enterprise will be caused to suffer from too much rather than too little legislation. This menace is greater in Congress than in the several state legislatures. If another financial de-

pression should occur affecting agriculture, and particularly wheat and cotton, it is almost certain that Congress would depart from previous governmental policies and pass some such legislation as the Norris-Sinclair bill or the McNary-Haugen bill. But it is certain that this legislation will be opposed by the more conservative of the population whom it is intended to benefit.

The Significance of the Coöperative Movement

"Knowledge, faith, leadership—this is the trinity of essentials," says Clarence Poe, in his book on *How Farmers Coöperate*, "in rural coöperation, and the greatest of these is Leadership. Give us leadership and all the other things will be added to us." The hopefulness of this movement grows out of the quality of leadership that has appeared. But faith—faith in the policy of coöperative marketing, faith of farmers in each other, faith on the part of farmers in those whom they select to serve them—is essential to the continued advancement of the movement that has had such a remarkable beginning. Coöperative marketing as an expression of agrarianism has survived the return of prosperity. This in itself is encouraging. But much needs to be done to establish this farm economic policy on a sound and profitable basis.

The most serious criticism that can be offered to this latest expression of agrarianism is the narrow interpretation that our farmers have given to the

idea of coöperation. "Agricultural Coöperation," says one of our most thoughtful journalists, "means simply that the farmer must take control of all phases of his business—the business of growing and delivery to the world its food and the raw material for its clothing. If the farmer is to insure to himself his share of the consumer's dollar, he must enlarge his conception of coöperation and make it include all aspects of the field. Coöperative marketing is only one aspect of this whole situation. The others include coöperation in buying supplies, coöperation in production, coöperation in agricultural manufacturing processes, and coöperation in rural credit and crop insurance. Some advance has been made in these directions. *But the next step in agrarianism should be a balanced program of unified effort that will give symmetry and proportion to every aspect of rural coöperation.*"

The coöperative movement in marketing farm products represents the most advanced step yet taken by the farmers of the country in the solution of their economic problems. A good standard of living for those who live in the open country is the only means of saving the American farmer from peasantry. Economic independence is the fundamental safeguard of this whole situation. It is the duty not only of our farmers but of people of all other vocations to encourage every movement that promises to improve the economic status of our farm population. Coöperative marketing gives us

the greatest promise in this direction. Therefore, the banker, the merchant, and the manufacturer can well afford to lend a helping hand to a movement that offers so much promise toward sustaining and promoting our Western civilization.

CHAPTER XI

THE PRESENT STATUS OF AGRICULTURAL ENTERPRISE

Every nation has had its farm problem. Virgil was right when he said:

“Our heavenly father had not judged it right
To leave the road of agriculture light:
'Twas he who first made husbandry a plan;
And care a whetstone for the wit of man;
Nor suffers he his own domain to lie
Asleep in cumbrous old-world lethargy.”¹

This problem has appeared early and persisted long in the life of nations. The wisdom to find a solution of this problem as it has manifested itself has tested the mental acumen of statesmen. A disposition to ignore this problem, as we have seen, has resulted often in social or political revolutions and economic distress.

It seems that no nation has ever seriously attempted to formulate a coördinated, constructive farm policy. Governmental policies have been formulated in behalf of national defense, industry

¹ *Georgics*, Bk. I, 120-125, *tr.* by R. D. Blackmore.

and transportation. It seems that a nation's basic industry should be the first to receive this kind of consideration. The United States has gone farther perhaps than any other nation in passing important laws to encourage agriculture, but the fault has been in the fragmentary way in which the problem has been approached.

Congress Attacks the Problem

The action of the Sixty-ninth Congress is a good illustration of our attitude toward agricultural enterprise. More than 200 bills and resolutions relating to some aspect of farm relief were introduced. Most of these measures proposed some form of governmental control or price fixing. Many of them provided for large appropriations out of the Federal treasury. The resolutions proposed investigations or national or international conferences on farm problems. The sincerity of purpose of the authors of most of this proposed legislation is not to be questioned. But it is quite obvious that many of these bills and resolutions were either economically unsound, or the remedy proposed would have proved ineffective. The debates in Congress reveal the mental confusion concerning this problem. The extended debate in the Sixty-ninth Congress on some of the more important farm relief measures amply illustrates this fact. The following colloquy, condensed from the *Congressional Record* of June 11, 1926, is rather illuminating:

"Mr. Robinson of Indiana: 'Mr. President, I had assumed, until the junior Senator from Ohio (Mr. Fess) spoke yesterday and again to some extent today, that there was no question in the mind of any member of this body as to the fact that there is a farm problem in the United States. I had assumed that the facts were so perfectly clear, so perfectly well known to every man, woman, and child in this great land of ours with reference to the farm situation, that there could be no question in the mind of any Senator as to whether the problem existed or not. I was utterly amazed at some statements made by my good friend, formerly my teacher, the junior Senator from Ohio, but not more so in any statement he made than in that which suggested that this is a sort of passing craze, a phase of our national life that will pass over in a day or a week or a month, and that it requires no attention whatever from the American Government, basic though the industry be.'

"Mr. Gooding: 'Altogether, Mr. President, in 1914 we had in banks \$21,359,842,316.35; and in 1925 we had \$51,892,932,000.

'We have accumulated more wealth in our banks since 1914 than all the accumulations in the existence of this Government before that time. Yet, the great Senator from Ohio stands here and tells us that there is no difference between the condition of agriculture at the present time, as far as its relationship to industry is concerned, and its condi-

tion in years of panic; that it is practically on the same basis as during the time of the panics of the past; that its ills are imaginary; and that they will cure themselves if we just let them alone; and that the farmer must work out his own destiny.'

"Mr. Fess: 'Mr. President——'

"The President pro tempore: 'Does the Senator from Idaho yield to the Senator from Ohio?'

"Mr. Gooding: 'I yield.'

"Mr. Fess: 'The relative purchasing power of the farmer in 1925 was about 90 cents. Agricultural products have increased since 1921 from 116 to 147. The wholesale prices of nonagricultural commodities have decreased from 167 to 165. The purchasing power of the farmers' product has increased from 69 to 90.

'I say to the Senator that I will join him in any remedy by law by which we can increase the facilities of marketing; I will go the limit with him; but if this matter is permitted to go on in its normal course, aided by what we can do in coöperative marketing, we will reduce the differential between the articles nonagricultural and those agricultural.'

"Mr. Gooding: 'The Government reports, I regard as reliable, are all based on wholesale prices, and there is no question but that the increases have been entirely out of proportion to the wholesale prices, because in a large measure it is the retailer who pays the freight rate and passes it on, and the increase in freight rates has made the spread a great

deal larger than it was. For instance, figures have been given as to the prices on soap and other things manufactured in Cincinnati. Then, with the increase due to the higher freight rates, the spread is entirely different from what it was before. The basis was never fair anyhow, because the farmer does not buy wholesale at all.'

"Mr. McMaster: 'Mr. President——'

"The President pro tempore: 'Does the Senator from Idaho yield to the Senator from South Dakota?'

"Mr. Gooding: 'I yield.'

"Mr. McMaster: 'While the comparison of the purchasing power of farm products in comparison with the purchasing power of nonagricultural products is interesting, and has a certain bearing upon the question, however, we must not overlook the great central fact underlying this situation, that according to the report of the industrial conference board at New York, the cost of production of agricultural products has been less than the wholesale prices of those agricultural products since 1883.'

"Mr. Fess: 'In accordance with that statement, every farmer would be broke.'

"Mr. Gooding: 'Most of them are broke.'

"Mr. McMaster: 'No: they are not.'

"Mr. Fess: 'The Senator from Idaho says they are broke and the Senator from South Dakota says they are not.'

"Mr. Gooding: 'I am speaking generally.'

"Mr. Fess: 'The Senator from Idaho is logical. If what they produce costs more than they get out of it, they can not live on nothing.'

So we find our farm problem reduced to an economic paradox and its merits to a *reductio ad absurdum* argument.

An Analysis of the Situation

But the facts in the agricultural situation cannot be thus disposed of. An analysis of the statistics relating to the farm situation shows clearly that a real problem exists, and that its solution requires constructive action. The briefest summary reveals the existing situation:

1. The number of farms has *decreased* from 6,448,363 in 1920 to 6,371,627 in 1925, or 1.2 per cent.
2. The number of acres of farms *declined* from 955,884,000 in 1920 to 924,889,000 in 1925. The decrease in the number of farms and aggregate farm acreage shows that the number of abandoned farms is increasing.
3. The total agricultural wealth *decreased* from \$77,924,000,000 in 1920 to \$58,568,000,000 in 1925. If these figures are corrected to the 1913 purchasing power of the dollar, the farm wealth in 1920 was \$42,235,000,000 and that of 1925, \$37,979,000,000.

4. The number of farms operated by tenants increased slightly for the nation as a whole between 1920 and 1925. The percentage of farms operated by tenants was highest in the predominantly agricultural states, ranging from 34 per cent in the West North Central to 53 per cent in the West South Central. The agricultural census of 1925 shows that the percentage of farms operated by tenants in these regions has increased during the past five years.
5. The number of persons engaged in agriculture *declined* from 13,278,000 in 1920 to 12,065,000 in 1925.
6. The gross income of agricultural enterprise *declined* from \$16,621,000,000 in 1919-20 to \$13,324,000,000 in 1924-25.
7. The farm population constitutes about 30 per cent of the total population. But the farmers received only 17.7 per cent of the national income in 1919 and that declined to about 14 per cent in 1925.

The Effects of this Situation

These statistics are sufficient to indicate the general trend of the agricultural situation. The effects are shown by the increase in farm indebtedness, and the number of farm bankruptcies and bank failures in agricultural regions. The facts are as follows:

1. The farm indebtedness of the United States increased from \$4,328,000,000 in 1910 to \$12,250,000,000 in 1920. Figures compiled by the Census Bureau show that from 1920 to 1925 the mortgage indebtedness has increased steadily. In typical agricultural states like Iowa, Nebraska, North Dakota, and Kansas, the percentage increase ranged from 12 to 18.
2. The number of bankruptcies among farmers steadily increased from 679 in 1910 to 1906 in 1916. The number declined to 1632 in 1917, 1207 in 1918, and 997 in 1919. The number increased rapidly from 1363 in 1921 to 7872 in 1924. The percentage of failures has increased from 21 to 123 from 1920 to 1925.

In commenting on these figures, the National Industrial Conference Board directs attention to the fact that "These disparities and their effects have not been the same in all sections or in all branches of the industry. . . . In general it appears that the producers of wheat, corn, cattle, hogs, and cotton have felt the effects of the post-war readjustment most severely, while the producers of dairy products, fruits, and vegetables, especially those in proximity to urban markets, have been less severely affected."²

The debate in the Sixty-ninth Congress on farm relief repeatedly brought out the fact that most of the bank failures from 1920 to 1925 were due to

² *The Agriculture Problem in the United States* (1926), Chap. 2, p. 63.

the financial distress of farmers. Senator Gooding, for example, directed attention to the relatively small number of bank failures in the manufacturing sections of the country compared with the number in the agricultural states. From 1920 to 1925 there were 13 bank failures in the New England States; there were 32 in New York, New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia; the number increased to 583 in Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee; to 435 in Wisconsin, Minnesota, Iowa, and Missouri, and to 1141 in North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, and Oklahoma. There were 2475 bank failures between 1920 and 1925. Most of this number occurred in agricultural states where bankers were financing farmers or in agricultural sections of industrial states.³ It is quite obvious from these figures that there was a high correlation between the financial distress of agricultural production and the number of bank failures.

The Causes of Farm Distress

It seems, therefore, that there is ample justification for assuming that a farm problem actually

³ *Congressional Record*, Vol. 67, No. 152 for June 11, 1926.

Also see *Congressional Record*, Vol. 67, No. 136 for May 22, 1926.

exists and that the factors involved in its solution demand consideration.

It has come to be generally understood that the problem of stabilizing the prices of farm products is essential to rural welfare. A constructive policy relating to this problem involves many factors. Balanced production, economic cost of production, quality of products, efficient marketing, and transportation costs are all involved.

The disposal of the farm surplus is the particular aspect that the farm problem has taken in recent years. Farm production exceeds domestic consumption. A marketable farm surplus should contribute to agricultural prosperity. But, it happens that it often has the effect of depressing domestic prices below the cost of production. To remedy this situation was the purpose of the McNary-Haugen and other bills introduced in the Sixty-eighth and Sixty-ninth Congresses.

The unstable market may be illustrated from the prevailing prices of wheat in recent years. The Tariff Commission made a report on the cost of producing wheat in certain states in the Northwest. It was found that the cost was \$1.40 per bushel.

In 1921 this country produced 814,905,000 bushels of wheat. It cost \$1.40 to produce the crop, and it was sold by the farmers for \$1.01 per bushel. The net loss per bushel therefore was 39 cents or an aggregate loss of \$314,558,330.

In 1922 there were 867,598,000 bushels produced,

and the crop sold in primary markets for 89 cents per bushel. The loss per bushel was 42 cents or \$364,391,164 on the total crop.

In 1923 there were 797,381,000 bushels produced, for which the farmers received $92\frac{4}{10}$ cents per bushel. The aggregate loss that year was \$380,760,880 for the crop.

In 1924 the nation produced 864,565,000 bushels, and the farmers received \$1.28 per bushel for it. The loss of 12 cents per bushel aggregated \$101,789,964.

These figures show that wheat ranged from \$1.28 per bushel in 1924 to $92\frac{4}{10}$ cents per bushel in the preceding year. Cotton prices have fluctuated between even wider margins in recent years, the price ranging from 42 cents down to 10 cents per pound. It often happens that a relatively small crop has yielded more than a large one.

Conflicting Theories of Farm Relief

The problem confronting agriculture is to find some method to stabilize markets against these undue and excessive fluctuations. Two conflicting theories have developed with reference to the remedy for this situation. One is based upon:

1. Governmental price fixing.
2. Governmental buying and selling.
3. Governmental subsidies.

4. Bureaucratic credit control of agricultural commerce.

The other theory, more conservative and more in harmony with recognized economic principles, seeks a solution in a producers' coöperative organization with advisory or controlling powers, as follows:

1. To adjust acreage on the basis of prospective demand at fair prices.
2. To reduce cost of production by coöperative efforts.
3. To synchronize marketing and distribution to prospective demand.
4. To reduce the spread between producer and consumer.
5. To equalize production from year to year to conform to changing demands and buying power.
6. To increase the producers' bargaining power based on relative quality of production.

The latter theory perhaps offers the most promise of permanent relief. The most difficult aspect of the whole situation is that of preventing overproduction. Prevailing high prices have always resulted in increased acreage the following year. When the government fixed the price of wheat at \$2 per bushel during the war it had the effect of increasing the acreage planted to this crop approximately 15,000,000. The high price of cotton in recent years pro-

duced the same result. The inevitable effect of overproduction of any staple crop is to increase the exportable surplus. As this excess affects the world prices, it correspondingly depresses the domestic prices.⁴ It is much simpler to formulate this problem than it is to solve it. But it seems that the application of a theory based on sound governmental and economic principles offers more promise of success than one based on artificial devices.

It goes without saying that agriculture is at best a hazardous vocation. Uncertain seasonal conditions, damage from storms and insect pests will probably always make it so. Farmers should never forget, also, that there is no substitute for thrift, energy, and work in making farming a profitable enterprise. But after this is said, it should be recognized that agriculture is entitled to the same governmental encouragement and assistance that is accorded to industry and transportation. As the National Conference Board has said recently: "Farming is more than an industry. The significance of agriculture in the life of the nation is far deeper than this. It touches something vital and fundamental in the nation's existence. It involves the national security, the racial character, the economic welfare, and the social progress of our people."⁵

⁴ Edwin G. Nourse's *American Agriculture and the European Market* in the Institute of Economic Series is an informing analysis of this situation.

⁵ The Foreword to *The Agriculture Problem in the United States*.

These are wise words that deserve wide acceptance.

In so far as the existing status of agriculture is dependent upon governmental action, it is probable that some time will elapse before concrete results are obtained. The method of trial and error probably will be the only one that can be applied. As time goes on mistaken policies can be eliminated and profitable ones strengthened and reinforced.

The principles, as follows, outlined in the Rural Report of the Liberal Land Committee (1923-25) of Great Britain may well be our guide as we attempt to apply remedies to existing conditions:

1. "Modern States in general have found it advisable and possible to safeguard agriculture.
2. "A practical rural policy must be one which, while dealing with known economic facts, allows for human nature; which does not discourage personal enterprise or interfere with industrial judgment and skill.
3. "As rural ills are generally deep seated, no national policy for rural life can succeed if it evades fundamental questions and hesitates to attack root causes."

These principles should guide in the formulation of a national program for agriculture. There is imperative need for a comprehensive agricultural policy for the nation. It is quite obvious that legislation, hastily conceived and resulting from political pressure, is usually inadequate. The entire nation

is concerned with rural welfare. Therefore, all legislation designed to aid agricultural producers should be based on established facts and made to conform to sound principles of public policy.

A national land policy is basic to any program of rural improvement. There is need for a scientific classification of the land area of the United States with reference to its economic utilization. Areas peculiarly adapted to forests, grazing, and crop production should be indicated carefully. The detailed classification should include marginal lands and adaptable crop areas. Reclamation should comprise an important aspect of a land development policy.

The welfare of farm producers should be considered in connection with the problem of land utilization. An adequate system of selecting settlers based upon adaptability or specialized agricultural production should be considered. There are too many farmers today cultivating marginal land. In an effort to bring production up to a subsistence basis many of these farmers are following a poor cropping system or undertaking to cultivate a greater acreage than their capital investment justifies. This fact has had little public consideration, but it constitutes one of the most important problems connected with rural economy.

There is also need to apply economic principles to land values. Everyone knows that inflation of land values has been one of the causes of farm distress. Speculation lies at the root of this trouble. *The*

price of land must bear some direct relationship to unit production expressed in monetary terms. Otherwise, the farmer will be confronted constantly with the problem of producing sufficient yields to enable him to sell his product at a fair price above the cost of production. This is exactly what has happened in recent years, and the inability of farmers to make a profit on high priced land has resulted in the decline in land values.

There is need of better coördination of state and federal regulatory agencies. This is necessary in order to eliminate duplication of effort and conflict in the administration of agricultural laws. It is equally important to coördinate commodity associations and the various credit agencies. There was a time when farm credit was limited and interest rates exorbitant. Credit facilities are adequate today but the farmer needs to make a wiser use of loan facilities. This can best be brought about by better adjustment of productive associations and credit institutions.

Serious consideration needs to be given to equalization in benefits of subsidies if this policy is to be continued. The tariff is essentially one form of subsidy. Tariff schedules, as we have seen in previous discussions, have been a continuous source of irritation because of their unequal benefits to the different classes of producers. A better adjustment of tariff rates needs to be made. The recommendation of the National Agricultural Conference of 1922

that a Permanent Tariff Adjustment Board be created with the power to vary schedules between industrial and farm products deserves consideration.

But what about the farm surplus problem? This is the question that is very much in the public mind today. This problem is secondary to the more fundamental ones of land utilization, balanced production, the use of credit for productive purposes, and the equalization of benefits under the various forms of subsidies. Competition in foreign markets must be determined finally on the basis of the economic law of supply and demand. The ability of farm producers in this country to compete successfully with those of other countries must depend upon relative cost of production, quality of products, rapidity of transportation and marketing facilities. Legislation that ignores these important factors must ultimately bring disaster upon the industry that it is designed to serve.

CHAPTER XII

RESULTS OF AGRARIANISM

For more than half a century the farmers of the country have endeavored to better their relative position in the social and economic order. This struggle has gained its greatest momentum during periods of financial distress, but in one form or another it has persisted through a rather long period of time. "The Agrarian Crusade"¹ has had two prime objects in view. The fundamental one has been to establish prices and to secure higher returns for farm products sold. The second motive has been to equalize the advantages of agricultural producers with those of other vocations and to secure to the industry the same privileges and immunities enjoyed by manufacturing and commerce. Inequalities began to develop between agriculture and industry with the rise of monopolies and the political advantages that they acquired. The fight began when an effort was made to regulate railroad rates and prevent rebates. As the farmer has always been a great borrower, financial depression has often brought him in conflict with the banking interests,

¹This is the appropriate title of a book by Solon J. Buck in which farm movements since the Civil War are reviewed.

and his efforts to secure cheap money have brought him in conflict with the great financial interests of the country. But whatever form the struggle has taken, and it has varied all the way from organizing for buying and selling farm products to uniting by the thousands in political organizations, the end has always been either to improve the economic status of the farm population or to equalize the opportunities of farming as a business in competition with other vocations.

Outline of Results

What have been the net results of the united efforts of farmers to accomplish these ends? This is a question that naturally arises after one has surveyed the activities of farmers throughout the long period of their struggle. The more significant results of agrarianism in this country in the period since the Civil War may be summarized as follows:

I. Railroad Control:

1. Establishment of railroad commissions with power to regulate freight rates and prevent rebates.

2. Interstate Commerce Act of 1887.

II. Agricultural Education and Research:

1. The Land Grant Act of 1862, with subsequent amendments for the endowment of agricultural colleges in the several states.

2. The Hatch Agricultural Research Act of 1887.

3. The Adams Agricultural Research Act of 1906.

4. The Purnell Agricultural Research Act of 1925.

5. The Agricultural Extension Act of 1914.

6. The Smith-Hughes Act of 1917.

III. The Agricultural Regulatory Activities:

1. The United States Department of Agriculture.²

2. The State Departments of Agriculture.

IV. Financial Legislation:

1. The Bland-Allison Act of 1878.

2. The Sherman Silver Purchase Act of 1890.

3. The Federal Reserve Act of 1913.

4. The Federal Farm Loan Act of 1916.

5. The Agricultural Credit Act of 1921.

6. The Agricultural or Intermediate Credit Act of 1923.

V. Economic Effects of Farm Movements:

1. Coöperative Commodity Marketing.

2. Coöperative Ownership of grain elevators and other agricultural manufacturing enterprises.

3. Coöperative buying agencies, particularly of farm supplies and equipment.

²The United States Department of Agriculture also does much educational and research work. This is also true of some of the state departments of agriculture.

VI. Political Effects of Farm Organizations:

1. The Agricultural "bloc" in Congress in 1921-23.
2. Party platform pledges by all political parties to aid agriculture.
3. National agricultural conferences sponsored by the President of the United States.
4. The President's (Coolidge) Agricultural Commission for Farm Relief.
5. Increasing favorable legislation and proposed legislation in behalf of agriculture.³

While this outline is in no sense complete, it illustrates the widespread and growing influence of farmers in their organized capacities on the nation as a whole. While it may not be strictly accurate to credit all of these accomplishments to farm movements, it is reasonably clear that farm influence has had either a direct or indirect influence in bringing about all of the items in this outline.

It will be observed also that the results of agrarian efforts were very meager previous to the beginning of the twentieth century. "The close of the old century," says Walter Locke, in *The New Republic*, "had little to show for the work of revolt done through grange, alliance, and populism. The little farmer stores had died like new-hatched chicks in a March wind. The farmer parties had shrunk to

*The increasing number of farm products included in the Protective Tariff Act is an illustration of this tendency.

mere vestigial remains. The farmers were back in their old parties, trading through the old channels. Only in farmer minds remained a trace of the struggle." The great awakening of rural consciousness has come since the beginning of the World War in 1914. The past ten years surpass the preceding fifty years in actual accomplishments for rural advancement.

As one reviews the results of agrarian effort, it is easy to see the change in the point of view of the farmer in recent times. As his point of view has changed from individualism to coöperative effort, he has changed his program from one of expediency to far-reaching policy. "What distinguishes the present agrarian movement," says an editorial in *The New Republic* for April 9, 1924, "from those of earlier generations is primarily a change in the farmers' conceptions of means of redress. In the eighties and nineties the reforms advocated by the farmers were essentially individualistic. They sought to counteract the decline in prices of agricultural products by means of monetary inflation, believing that rising prices would benefit not only the farmer but the whole body of producers at the cost of the money lenders and bond holders. They wished to break up trusts and other combinations in the faith that competition would establish prices on a fair basis all around. Above all, they demanded control of the railways, in order to eliminate excessive and discriminatory rates which not only weighed

directly upon the farmer but also tended to build up industrial and trading monopolies to exploit him further.

"The farmer of today still opposes monetary deflation, detests the trusts, and regards the railways as instruments of oppression. But he no longer believes that tinkering with the money standard, prosecuting the trusts, and curbing the railways will bring him substantial relief. As an individual he is helpless in the contest with business and industry which combine spontaneously, law or no law. The great advance in prices resulting from the war offered the farmer conclusive proof of his relative weakness. His products promptly slipped back to the pre-war price level, while industrial prices maintained themselves at fifty per cent above that level. The only help for his case appeared to lie in the adoption of the weapon of his enemies, combination. And so we have had recently under the name of coöperation an epidemic of agrarian combinations: tobacco growers, grain growers, cotton growers, as well as a multiplicity of combinations among producers of minor and localized crops."

Attitude of Farmers toward Class Legislation

The farmer seems to have assumed also that the state and national governments are thoroughly committed to a policy of class legislation and that his only hope is to share in the special privileges secured by governmental action. This point of view was

reflected in an address of O. E. Bradfute, former president of the American Farm Bureau Federation, when he said:

"When the banks were having grave difficulties, Congress took a lot of time and study and evolved the Federal Reserve Act. It was for a special class—the bankers.

"When the railroads were in difficulties following the war, Congress got busy and evolved the Esch-Cummins act. It was for a special class—the railroads.

"When the laboring men advanced the claim that they were not getting all that was coming to them and demanded an eight-hour day without a cut in wages, Congress evolved the Adamson law. It was for a special class—the laboring men.

"Surely, it isn't wrong to take care of the greatest producing class in the country, which is now in grave difficulties."

George Peek, president of the American Council of Agriculture, bluntly expressed his views on this subject in unmistakable language, as follows:

"If we are to have an Esch-Cummins law for the railroads, an Adamson law for labor, and a strict protective tariff for manufacturers, we are justified in demanding of Congress similar consideration of the farmer."

The *Texas Farm and Ranch* under date of April 4, 1924, commented on these opinions by saying:

"Quite right. But does the farmer himself choose

to grasp the legislative helping hand? Is he ready for bungling lawmakers to become arbiters of his destiny?"

The answer to this editorial query is undoubtedly an affirmation. The farmer has seen subsidies granted to others. He has come to believe that his only chance for equal opportunities is "to grasp the legislative helping hand." Sound public policy might suggest that it would be better to reverse the practices of a century and deny to all classes special privileges and immunities. But the farmer knows that such a radical reversal of governmental policy is not to be expected. Tradition and precedent are predominant factors in our political life. The influence of industrial enterprise is too great and special privileges have been enjoyed too long for the policy of protection and special privileges to be denied. The farmer, therefore, has only one choice—to seek to equalize his opportunities by securing legislation as favorable to him as it has been, and is, to other classes of our citizenship.

Walter Locke, in a well considered review of this general attitude of the farmer today, says: "Which-ever course the farmers follow,—and they are pretty sure to have their try at both,—their success depends upon the development and maintenance of an effective measure of political solidarity. Experience proves this necessary even though it is not special privilege the farmers go after, but merely an economic equality. The farmer has got to know

his economic rights and to dare maintain them in political action, or he will forever go on carrying water for his more realistic countrymen.

"For all the progress already made, complete political farmer-mindedness is still a long way ahead. The farmer as a whole is not yet a class. He is only a crowd. In politics he retains a marvelous appetite for stones in lieu of bread. He is prone to accept as his political leaders attorneys for the interests by which he is exploited. He votes for tariffs which rob him. He supports an immigration policy which refuses him the consumer at home that our trade policy denies him abroad. His mind is plied by a periodical literature whose main support is the interests from whose grip he needs to escape. The farmer suffers by the fact that there is almost no farmer-supported press to speak for him." ⁴

From another viewpoint William C. Lankford analyzes the farmer's difficulties in a speech in Congress as follows: "The great trouble, Mr. Speaker, is that three-fourths of the time of the Congress is taken up with passing legislation that hurts the farmer and puts on his already bended back additional burdens, and the other one-fourth of the time of Congress is taken up shouting for the farmers and for those that toil in an effort to fool them into believing that something is really about to be done for them." ⁵

⁴See *The New Republic* for April 16, 1924, p. 200.

⁵See *Congressional Record* for March 16, 1925, p. 5840.

It is rather strange that in an organized effort on the part of farmers to secure economic equality with other groups they have always been charged with being radical. The farmer is not radical. He is normally and naturally a conservative. As Bruce Bliven says in a conclusion to an interesting article, entitled "The Frightened Farmer," "At heart, there is no more conservative individual on earth than the land-owning American of the Middle West. He is blood-brother to the man on Main Street, with all his horror of cults and isms and new-fangled notions. The farmer's radicalism is exactly the radicalism which threw the tea overboard in Boston Harbor. It is an outraged sense of injustice and a burning determination to leave no stone unturned to secure what he regards as redress. When he gets what he wants, I predict that the radicalism of the farmer will disappear so quickly that overnight people will wonder how they could ever have supposed that the agricultural regions were anything else than safe and sane." ⁶

It is rather significant that rural public opinion has arrived at definite conclusions with reference to political policies affecting the interests of farmers. No less significant has been the formulation of economic organizations for marketing farm crops. Farmers are now committed to a definite legislative program and systems of coöperative credit and marketing. Much relief has come already through these

⁶See *The Atlantic Monthly*, Vol. 133, No. 5, p. 686.

agencies. In the process of reaching conclusions with reference to these policies the farmer has been regarded as a radical. But, as Bruce Bliven says, the farmer is at heart conservative, and his temporary radical tendencies have resulted from a sense of injustice of the existing economic order. Agrarianism has accomplished other results that are less tangible but none the less real than those to which reference has been made. The farmer has become conscious of his political influence.

The Future Direction of Agrarian Efforts

It is rather interesting to speculate with reference to future agrarian tendencies in this country. The like-mindedness that the farm population has developed is certain to remain. This means that the farmer's influence will continue to be exerted and that it will produce important effects on the political policies of the nation. Is it likely that the farmer will resort to private organization, or will there emerge a strong agrarian political party as a means of best accomplishing the ends of farmer efforts?

It seems unlikely at the present time that the farmers of the country will undertake to accomplish their aims through an independent political organization. At least three reasons may be suggested for this conclusion. In the first place, the independent party movements of farmers have not been very successful. In the second place, the traditional

party alignments of farmers will keep many of them in the old parties. In the third place, the farmer seems unable to determine whether he is a capitalist or a laborer. His pleas for support from other groups, therefore, are not very persuasive or convincing.

The Third Party movement led by La Follette and Wheeler undertook to effect a combination between agriculture and industrial labor. The hopes of the campaign were based upon the prospects of winning the farmer vote in the West and the industrial labor vote in the East. These expectations were not realized in either direction. The fact is, that the combination of industrial labor and agriculture is illogical. As Herbert E. Gaston says, "There is an essential, fundamental, and basic conflict of interests. The farmer is a capitalist and his interests are with capitalists, not with the wage-workers. Moreover, high industrial wages mean high prices for shoes, clothing, agricultural implements, flivvers, canned vegetables, and other things on and with which the farmer subsists and carries on his activity. Conversely, the worker wants his bread and meat cheap and he can't have it so if the farmer gets what he wants politically and economically." ⁷

When we turn to the farm capitalist's viewpoint, we also encounter difficulties in finding a common ground on which agricultural and capitalistic enter-

⁷ See *The New Republic* for September 3, 1924, p. 10.

prises can stand. Agriculture itself is composed of two conflicting groups—farm owners and farm tenants. While farm owners are essentially capitalists, they are primarily borrowers and not lenders, which places them more or less in conflict with financial interests. Bankruptcy comes to the farmer more often than to any other class. The range of capital and income of the farmer varies greatly. The small farmer is usually a laborer and is dependent upon a laborer's income. Farm tenants are laborers for wages. In 1920 over half of the farms in the United States were operated by tenants. At the present time there are probably three million tenant farmers in the United States. The organization of agriculture, therefore, makes for diversity rather than for common interests.

For these reasons an agrarian party of commanding influence seems unlikely. The farmer's best opportunity for political influence is through private organized effort. The old political parties have responded very sympathetically to agricultural influence in recent years. If the farmer will capitalize his strength through existing party organizations instead of dissipating his energies in temporary agricultural party organizations, his efforts will prove more effective, and beneficial results will be more readily forthcoming.

The ineffectiveness of agrarian efforts in the past has been due largely to inexperienced and incompe-

tent leadership. The farmer has not been able to define his enthusiasm in understandable terms. He has been fully aware of his difficulties and problems as a producer, but he has not been able to state clearly the remedies that were required to relieve his situation. This explains his slow progress. But the results of his efforts in recent years are conclusive proof that he is beginning to think through his problems and uniting his efforts for the accomplishment of definite results.

Another question arises with reference to the future of agrarian activities. Will the influence of the farmer increase or decrease in future years? The farm population is relatively on the decline. There seems to be justification for the belief that the quality of the farm population, taking the nation as a whole, is declining also. This would seem to indicate that the farmer's capacity for organization would become less and, correspondingly, his influence on public affairs would decrease.

The hopeful side of this question grows out of the fact that farming is becoming a many-sided industry. The business aspect of farming has extended greatly the influence of agriculture. Agricultural influence today cannot be accurately measured by the number of farm producers. The thousands of business men who are engaged in marketing, transporting, and manufacturing farm products are vitally interested in the prosperity of the

farmer. It is this vital and influential element in our population to whom we may reasonably look for aid in the support of all measures designed to sustain and promote the interests of farm enterprises.

It would appear then, in the light of history and present results of agrarian effort, that the future of agriculture in this country is reasonably encouraging. At least there is no immediate cause for concern. Quoting Walter Locke again: "The road ahead for the farmer, both political and economic, is a lengthy one. He himself must change before his condition can be wholly changed, and he is slow to change. But there is a stirring, and no light one. In his politics, as in his business, the sleeping giant is rubbing his eyes. The reforms initiated by grange and farmers' alliance were, many of them, adopted after the farmer parties had died. The Nonpartisan League was a flash in the pan, but it taught western farmers the power of political independence. Due partly to farmer spirit, the Middle West is achieving something like a political autonomy. . . .

"But steadily, by whatever path seems to open, the farmers are working their way into the sun. A million and a half of them, more or less, are in co-operative associations turning over a billion or so a year. The farmer has his lobbies at Washington and the state capitols as respectably as any other interest. Blunderingly, more or less blindly, with many missteps, up many a blind alley, the belated

farmers are following in the wake of their syndicated exemplars of factory, mine, and counting room.”⁸

Public welfare and national prosperity will depend in the future upon a wiser distribution of economic power and political influence. Throughout our national history there has been a wide range of inequality between these influences. Industry, finance, and transportation interests have exerted unequal power and influence with reference to each other, but individually and collectively they have exerted a predominant influence over agricultural enterprise. This was true when the agricultural population far outnumbered the combined populations engaged in other pursuits. It has continued until the present time.

But it is generally admitted that the agricultural population has been slowly gaining economic and political strength in recent years. This is explained by the fact that the rural population has gained greatly in social consciousness and the agricultural wealth of the country has more than kept pace with industrial enterprise. This tendency supplies the basis of hope for the equilibrium of social forces.

The Green Rising, therefore, whose swell tide may not yet have been reached, is not a sinister, social phenomenon. It is merely the subtle working of the silent forces of readjustment in the onward progress of national life. But there will be no peace until

* See *The New Republic* for April 16, 1924, p. 201.

the diverging forces composing the complicated fabric of our social order can be brought nearer to equilibrium. If this be true, the Green Rising that is sweeping over the world gives the best possible promise of economic sufficiency and political freedom.

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